# THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

*October 26, 1940*


## Australia May Play Significant Role In Anglo-U.S. Action In Pacific

## Tokyo Seeks Soviet Pact

## Japanese Fiasco In N.E.I.

## "Old Order" Saves Shanghai

BY JOHN AHLERS

## China Mourns As Greatest Modern Artist Dies Suddenly In Chungking


VOLUME 94 PRICE 80 CENTS (in China) NUMBER 8

HONGKONG SHANGHAI TIENTSIN

CANTON SWATOW FOOCHOW CHANGSHA HANKOW CHUNGKING KUNMING ICHANG WENCHOW NINGPO

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NEW YORK BUFFALO LONDON

# What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

## RENT RACKET

*To the Editor:*

With reference to the letter appearing in **The China Weekly Review** on October 12, under the heading "Rent Association", signed by Quo Vadis, permit me to opine that Quo Vadis should agree with the fact that the tenants themselves in Shanghai are the worst and most merciless bunch of suckers one ever could imagine. And this is just because there is no law or authority in this so-called "model city" to regulate inhuman appetities. The only supposed authority—the two foreign municipalities of Shanghai, are the receivers of municipal taxes from these very tenants, so it is not in their best interests to tread on the toes of their own financial supporters. Where the houseowners may have increased the rent of their houses, apartments, or flats by, let us say, 20 per cent, then the tenants, by sub-letting rooms to the poor wage-earners, who cannot afford to have even a small flat for own use, are charging them at least 100 percent and more, against normal, prewar rates. It is quite natural that these high-handed profiteers do not want to join any "Rent Associations," the officers or committee members of which may happen to observe the merciless sucking of their own sub-tenants, while on the other hand, this type of profit-hunters are apt to break the rules and decisions of a tenants association at any time when it suits their own mean ends, in the way of readily agreeing to advanced rentals by the houseowner, simply because they can afford to pay more out of those enormous profits they are making on sub-letting rooms. May be that those 210 tenants who have already joined the Shanghai Tenants' Association are the only ones who do not speculate with rooms, while the majority, or estimated 5,000 tenants, who are still at large, seem to be of the "Big Bad Wolf" type, against which the Shanghai Tenants Association should declare merciless war and to beat them flat with the help and cooperation of those several thousands of poor devils who are compelled to live in furnished rooms and who are entirely in the hands of their merciless "house-missies". The best thing the Shanghai Tenants Association could do, in order to attain that good purpose it is trying to reach, is to engage itself in having those thousands of sub-tenants organized into a union, to enable them to regulate the appetites of the would-be-members of fhe Shanghai Tenants Association. Once their profits from sub-letting rooms at exorbitant rates will be brought to a more or less normal level, then these tenants will soon find some use in joining the Shanghai Tenants' Association in order to have some protection against the appetites of the landlords who in their turn are sucking them. Indeed, it is a roundabout way of trying to make this type of the Shanghai tenant respect himself and others, too, but I do not see any other way of doing it. To make the organization of room-dwellers easy, effective and interesting, they should be organized right on the spot, that is to say, in each house, lodging, boarding-house, flat or apartment, the occupiers of furnished rooms should be called on to organize themselves into a nucleus of the main organization, each nucleus to elect a delgate to "the terrace or apartment house committee," and the terrace or house committees in their turn to elect representatives to form a district or town committee to be the Hq. of the whole organization, or a branch of the existing Shanghai Tenants Association, if you like. This will be a live organization, well connected, and originating right on the spot where the differences between the tenant and sub-tenant arise and where the same ought to be regulated and settled. The idea is a sound one which even the different rent-regulating committees of our municipalities could make use of, since only the nucleus-organization in a house or flat could give all the facts and details to the municipal rent-regulating committee regarding the income of the landlord, in order to fix the 10 per cent profit allowed to be earned, which the Concession Municipality is about to introduce.

The membership fee may be only a few cents monthly, and may be collected in by the delegates and handed over to Headquarters. With such an organization in existence it would be an easy thing to materialize the idea starting an effective consumers' co-operative movement in Shanghai as well, to regulate the appetites of our Compradore stores. I have said "A"; now let's see if any one cares or ventures to say "B."

Shanghai, Octo. 18, 1940.

A. MUG.

## THE NEW "ORDER"

*To the Editor:*

It happened yesterday that a friend of mine was unhappily involved in an accident, or, a deliberate insult by a Japanese inspector of the Wah Chung City Motor Bus Company (a Japanese concern operating a bus service in the Hongkew area). Having his job in Hongkew, my friend has to take that company's bus quite often. When awaiting a bus at a certain station, he was suddenly beaten by a Japanese bus inspector for a reason known only to the Japanese himself, and without any explanation. He was subsequently taken to the bus company where he was accused of collecting money from the corrupted bus conductors. After identifying himself, my friend was set free, but his request for an apology was flatly refused by the company official.


## THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS and HOH CHIH-HSIANG, *Assistant Editors*

F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

JAMES Y. M. WU, *Circulation Manager*


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Instead, he was told by a Chinese interpreter that this time the questioning official was a very liberal one, otherwise, he might have been sent to the Japanese military headquarters for punishment without questioning. He was further informed that at the present time (or, under the "new order" established in Hongkew) it was not uncommon to treat an innocent Chinese passenger in the above, or even much more severe ways.

The real meaning of a Japanese "new order" being clearly manifested, I presume that when the Japanese establish their proposed "new order" in Asia or in Greater Asia, the peoples other than Japanese themselves will be treated accordingly. Fortunately, such a disaster is highly improbable.

L. E. P.

Shanghai, Oct. 13, 1940.

## SHANGHAI'S STUDENTS

*To the Editor*

Viewing that the situation around Shanghai has become worse day after day, I cannot help fearing whether this international city will, after all, be forced to change her status. Really this is the most important question of today. Because it is quite obvious that whatever the result is it will affect all of us.

Being a student here I am terribly worried about my studies, and the more I worry the harder I work. I remember having read an article when I was a junior student. The subject was "The Last Lesson." It had impressed me to such an extent that I can still remember it. And this article, I am sure, had been read by most of my fellow students. Now our condition is not any better than that of Paris. It is known to us that Shanghai is an "Isolated Island" and is completely blockaded by our enemy. We are now just like numerous birds confined in the same cage. So our present condition can be compared with that of the French students in Paris. Yet the French students have kept their spirit of studying during their troubles notwithstanding the danger their capital was undergoing, while not all of us are doing that. This however, is serious enough not to be overlooked. I don't deny that the condition is bad, but it is unreasonable to take it as a pretext. On the contrary, we should sudy all the harder in order to be able to fulfill any responsibility we have to our country, in the future. We are the students, the socalled "masters of our country." We must realize our responsibility, hence it would be valuable to us to imitate the spirit of "The Last Lesson." Personally I would suggest that that spirit should promoted immediately among us, because under such precarious circumstances it is urgently in need.

HEE PANG.

Shanghai, Oct. 11, 1940.

## C$25,000,000 AND THE NEW EMBARGO

*To the Editor:*

Not long ago Mrs. Eleanor Roosevelt wrote in a daily paper that she would urge America to help China's economical security. This idea of here has been realized since the U.S. Government promised to lend China G.$25,000,000. This economic help to China will no doubt increase the strength and spirit of China's war of resistance.

Moreover, in answering the three-power military alliance, President Roosevelt has ordered a new embargo on scrap iron and steel against aggressive nations which would be effective after Oct. 16, this year. This complete embargo of War materials would give a deadly blow to Japan especially, for nearly 90% of Japan's resources necessary for the war are dependent on America's exports.

We, the Chinese people, thank America for her loan of G.$25,000,000 and agree upon the necessity of a complete embargo to the aggressors. But still all means of effective aid to China, short of war, and positive and effective action against Japan, are much needed, because China has stood out in the first line of defence for America (as well as Great Britain and Soviet Russia) in Asia, as has Britain on the Atlantic. The sooner Japan is defeated, the safer Americans will be on the Pacific. When China wins the war, the American market in China and her commercial interests in the Far East will be preserved and will even prosper more than they do now. A free and strong China will keep her doors open, and never break America's "open door" policy as Japan has done. American people should be reminded that only Japan is America's real enemy, so the United States should not let her enemy escape, but act promptly.

MU WEN-FU

Chungking, Oct. 3, 1940.

## DEMOCRATIC FRONT

*To the Editor:*

For more than forty months, our Chinese nation has been fighting the Japanese invaders desperately for the maintenance of its existence. Deeply bogged in the quagmire of the China front, Japan being at her wit's end is now trying hard to find some other way out to liquidate the "China incident;" hence, contemplating the extension of the existing conflict in Europe to this hemisphere, she signed a military and economic pact with the Reich and Italy with the hope that the United States may yield to her hollow threats. Contrary to Japan's anticipation, Britain and America, instead of yielding to Japan's intimidation, are now more determined than ever to help China both materially and spiritually in her gallant struggle against the Nipponese aggressor.

Reports have it that anti-British and anti-American demonstrations are again in a full swing in the Japanese-occupied areas of this country. People who have a clear understanding of the actual conditions in the Far East naturally understand that demonstrations of that sort are purely Japanese-made; but we are afraid that Britons and Americans who are far away from the Far East may misunderstand the situation, thinking that those demonstrations may represent the real intention of some Chinese people. Let me disclose some facts to prove that the innocent Chinese people in the Japanese-occupied areas are, in fact, forced under duress by the Japanese and their "running dogs" to stage such demonstrations. We dare say that not one of the Chinese people with the exception of the notorious puppets such as Wang Ching-wei, Chow Fu-hai and others would be willing to side with their enemy and to hurt the feeling of their British and American friends in this way. For instance, at a certain Japanese-manufactured meeting, pupils of Chinese primary schools forced to shout slogans denouncing Britain and America. Under the threat of the bayonets, they naturally could not do anything except what the Japanese soldiers commanded. Unexpectedly to all the puppets, those innocent pupils while parading on the streets shouted: "Down with Japan," "Down with the Nipponese devils," etc. Most funny of all, the Japanese soldiers not knowing what they shouted nodded with a smile. Another story which I would like to tell is that the puppets who serve their enemy for their selfish cravings are but marionettes who can never represent the Chinese people. In autumn of the year 1938, a so-called "people's convention" was summoned by the puppet "Reformed Government." More than three hundred "delegates" supposed to be representatives of Kiangsu, Chekiang and Anhwei attended the meeting. Just imagine that while such a large number of "delegates" was present at the convention, the puppet chairman appointed by the "Minister of Interior" read aloud all the resolutions and declared that they were accordingly passed without making any discussion. This "convention" lasted only for half an hour!

We would like also to call the attention of the British and American correspondents to the rampancy of all kinds of vices and atrocities in the Japanese-controlled districts. Prostitution, narcotic trade, banditry, robbery, imposition of superfluous taxes and oppression of the Chinese people are the chief features of the rule instituted by the Japanese and their "running dogs." Such is the "new order" which Japan is planning to build in East Asia; nay, Greater East Asia. We hope that through the efforts of the foreign correspondents who uphold justice and righteousness, these conditions of "new disorder" will be disclosed to the world and let the world denounce and sanction this worst aggressor who has never been found in the past world history.

Kindly insert this letter in your valuable journal and we hope that your journal will be going stronger and stronger in the upholding of justice and truth.

Shanghai, Oct. 15.

FAN JIH-TSE.

**NATIONAL CITY BANK OF NEW YORK**

**Rates of Exchange, Shanghai, October 24, 1940**

Demand selling rate on New York: U.S.$1.00—Sh.$17.02

Demand buying rate on New York: U.S.$1.00—Sh.$16.66

Demand selling rate on London: £1.0.0—Sh.$62.95

Demand buying rate on London: £1.0.0—Sh.$61.44

**AMERICAN STOCK AND COMMODITY QUOTATIONS**

**October 23, 1940**

*STOCKS*

| | |
|---|---|
| Amer. Locomotive | 16⅛ |
| Amer Waterworks | 9¼ |
| Anaconda Copper | 24 |
| Bethlehem Steel | 83 |
| Chrysler | 81¾ |
| Elec. Bond & Sh. | 6⅛ |
| Gen. Motors | 50¼ |
| Goodyear T. & R. | 12⅝ |
| Gt. Nthrn. Rly., pfd. | 28⅛ |
| Lockheed Aircraft | 28⅝ |
| Mont. Ward | 40 |
| N. Y. Central | 14¾ |
| Texas Corp | 34¼ |
| U. S. Steel | 63⅜ |

*COMMODITIES*

| | |
|---|---|
| New York Cotton, Oct. | 9.60/60 |
| New York Rubber, Dec. | 20.40/40 |
| New York Hides, Dec. | 12.88/88 |
| Chicago Wheat, Dec. | 87¾/87⅞ |
| Chicago Corn, Dec. | 62⅝/62¾ |
| New York Sugar, No. 4, Dec. | 0.81½B/82A |

*B—Bid. A—Asked.*

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# JAPANESE SEND GENERAL TO MOSCOW TO NEGOTIATE NEW PACT

THE Japanese have withdrawn their regular ambassador, member of the diplomatic staff, from Moscow and are replacing him with a high military commander, Gen. Yoshitsuga Tatekawa, representative of the War Office. It probably was more than a coincidence that Heinrich G. Stahmer, intimate friend of Hitler, who negotiated the Japan-Axis Pact in Tokyo, also proceeded to Moscow only a few days behind Gen. Tatekawa.

The Japanese military authorities are planning to exert super-strength to induce the Russians to sign a non-aggression pact, modeled on the Moscow-Berlin Pact, but adapted to Far Eastern requirements. The German Nazis would like to see this pact come into existence because it would enable the Japanese to devote their entire attention to the so-called "southern expansion'" movement."

The Nazis have three objectives in mind in spurring the Japanese to continue their advance into southeastern Asia: First, to divert a part of British strength from the Mediterranean and Egypt to the Orient; second, to force the United States to divert its major strength to the Pacific and thus decrease American assistance to Britain on the Atlantic; third, to enable the Japanese to crush the Chinese National Government which is allied with the Democratic Powers.

If the situation continues to become more critical in the Balkans and Near East—for which the Germans and Italians are solely responsible, the Russians may be forced to make a deal with the Japanese in order to be relieved, even temporarily, of the fear of a Japanese attack on this front.

Moscow's attitude thus again becomes tremendously important for Britain and the United States are also pressing the Russians to cooperate with them in putting pressure on Japan in the Far East. Neither the United States nor Britain is in a position to offer Mr. Josef Stalin the one thing nearest and dearest to his heart—more territory—but they, particularly the United States, are in a position to offer him important economic considerations. Recently the United States released US$7,000,000 worth of machine tools for shipment to Russia and also permitted Russia to charter a number of tankers for transporting oil, presumably from California to Vladivostok.

But the Japanese militarists are in a position to make Stalin an offer which will cause the Anglo-American inducements to appear as mere bagatelles. If reports from Tokyo are correct, and they appear to be reasonably accurate in this regard, the Japanese Government is prepared to offer Stalin the stupendous gift of half of the Asiatic Continent. Some idea of what the Japanese have in mind, in sending General Tatekawa to Moscow, was indicated in an article recently published in the *Hoçhi*, the Tokyo daily which is controlled by the German Nazis and serves as an organ for those who are constructing Japan's "New National Structure." The article was written by Teiichi Muto, who has attracted attention recently by advocating that Japan should reach an understanding with Russia on the basis of spheres of influence in China. The following is a summary of Mr. Muto's article:

**"The Chinese still resisting Japan are divided into two main factions: the pro-democracies group, and the pro-Soviet group. The former has been leaning on the United States, Britain and France. Now that France has been taken into camp by Germany and Britain is under the pressure of the German assault, the old Kuomintang, which has been depending so much on those countries, is certain to lose much of its strength.**

## Russia's Vital Interests

**The Soviet authorities have devoted major attention to the development of Central Asian territories, which border on China and India**

**"The other faction is, of course, the communists, relying on the Soviet Union. It is necessary for Japan to come to an understanding with Russia in order to cause these communist forces to quit hostilities against Japan. It is useless for Japan to try to deal direct with the Chinese communists. The real figure behind the Chinese reds must be induced to withdraw its interference from China. This is analagous to the case of Britain and France behind the old Kuomintang.**

**"The anti-Japanese bandits and guerrillas running wild throughout China may be compared to the debris scattered over a vast plain by a tornado. To suppress such elements in a short period seems practically impossible. It took Japan a quarter of a century to bring the aborigines of Taiwan under control.**

**"Bandits are, after all, bandits, and it is not vitally necessary for Japan to wipe them all out. The first thing for Japan to do now is to mark out the chief regions of natural resource in China, and then concentrate on establishing peace and order in them. The maintenance of order in other areas is not of such importance.**

**"Japan's military operations have covered an area of some 1,875,000 square miles. It would be advisable to make some readjustments regarding this vast area. Japan should secure the really important spheres of resources and the points of vital military importance. To grasp anything, the open hand must be clenched.**

**"One cannot ignore the fact that communist influence in China has increased over what it was when the China conflict broke out. Liquidation of the activities of the Chinese red troops cannot be achieved if Russia is ignored. To cut the power line of the Chinese communists at its source, Japan**

**should define spheres of influence in China of both Japan and Russia, and reach an understanding with the latter on that basis. If that is done, the China conflict can be ended without much more bloodshed, but if not Japan will have to chastise the Chinese red troops by military action, and the danger of that is that it might well lead to a Japan-Soviet clash."**

Translated into practical terms, the language of real estate, so to speak, the Japanese warlords would be willing to make a deal with Russia along lines not altogether different from the Nazi proposals which brought Stalin into intimate relations with the then Berlin-Rome Axis—the division of the territories of Poland and withdrawal of German opposition to Stalin's absorption of the Baltic states, Estonia, Latvia and Lithuania, which had broken away and established independent governments following World War I.

## Will It Continue!

*Western Mail and South Wales News, Britain*

**Stalin and Molotov, as "neutrals," catch the fruit which Hitler shakes from the European tree.**

In the present instance, Japan would be willing to forego her ambitions to control all of Mongolia, and content herself with the liberal slice of Inner-Mongolia wherein are located most of the mineral resources, particularly coal and iron, providing Russia would recognize Japan's puppet state of Manchukuo. Japan then would recognize the Soviet position in Outer-Mongolia. As for the remainder of North and Northwest China, the province of Shensi, wherein the Chinese Communists have their headquarters, probably would serve as a convenient buffer state between the "spheres" of influence which would embrace everything north of the Yellow River. Japan would control Hopei and Shansi provinces, while Russia would dominate Kansu and Sinkiang. This would, in a sense, coincide with the present positions of the two powers in China's northern territories.

That China suspects that such a deal might be under consideration has been indicated in several ways. The *Shun Pao*, one of the best informed of local Chinese papers, published an editorial this week urging the United States "not to press the Russians too hard for active cooperation in checking Japanese aggression, but merely to urge the Soviet officials to continue their assistance to China's campaign of resistance." The editor of the *Shun Pao* pointed to the protracted and fruitless Anglo-French negotiations in Moscow prior to the outbreak of the war and expressed the hope that the United States wouldn't repeat the blunder in the present discussions in Moscow. The fear was expressed that asudden aggravation of the crisis in the Balkans might force Russia into a non-aggression pact and other, as yet, unmentionable under-cover deals which might duplicate what happened in Europe. And in view of what has happened in Europe, few longer dispute the possibility of a Japanese-Russian get-together on the basis of a division of China's northern territories. Students of Manchurian history will remember how Czarist Russia and Japan quickly got together, shortly following the Portsmouth Peace Conference, to block an American proposal for neutralizing the railways of Manchuria and eliminating spheres of influence in China's northeastern provinces.

That Russia is deeply interested in these northwestern Chinese territories requires no amplification. A Chinese professor, who had spent considerable time in study in Moscow told a friend he was glad to see the Russians were interested in China, but he didn't want to see them become "too interested." He made this statement following a visit to the Moscow Museum wherein he was astonished at the completeness of the exhibits dealing with Sinkiang. The magazine *Time* recently reproduced an article and map from *Pravda* and *Izvestia* which indicated the basis for present day Russia's interest in China's northwestern territories. A summary of the article follows:

"In this remote corner of Asia, where the U.S.S.R. borders on Afghanistan, on India and on China, the Soviet Government has zealously invested men and money, on the theory that Russia's Asiatic borderlands can properly be defended only if they are properly developed.

By last week—even making allowance for Stalinist hyperbole—this vast region, as big as European Russia, was experiencing an industrial and agricultural boom. It was reported that:

In the oil fields of Emba in the Kazak Republic, which in 1916 were supposed to be exhausted, new deposits have been tapped, production is growing rapidly and a long pipe line from the center of the fields to the Caspian is nearing completion. In Turkestan still richer fields are being exploited.

Huge coal deposits at Karaganda in Kazak, only recently prospected, are now yielding 5,500,000 tons a year, and the once God-forsaken hamlet of Karaganda has become a modern city. So has Kounrad, where the mining of extensive copper deposits around Lake Balkhash has begun. Sulfur plants have sprung up in the hills of Darvaz in Turkestan.

Railroads are beginning to thread their way through these new industrial centers. Hydroelectric plants are being completed.

New schools, hospitals and technical institutions have been built in the larger centers.

In the agricultural districts irrigation projects have transformed semi-deserts into fertile land. The reddish soil of some of the regions of central Asia is almost fantastically fertile. Since the days of Tamerlane peoples have fought wars for water, have dug *aryks* (irrigation canals). In periods of peace when the primitive irrigation systems functioned well, the country bathed in prosperity. In wars the *aryks* were destroyed and the desert advanced again. Soviet irrigation systems for cotton land were completed under the first and second Five-Year Plans, but only in 1939 and 1940 did crop yields become impressive.

In the Uzbek Republic (which produces more than half the U.S.S.R.'s cotton) hundreds of thousands of Uzbek and Tajik farmers last year produced a "miracle": in a little more than a month

## "Only a Difference in Coiffure"

**Stalin and Hitler as portrayed in the *Marianne*, Paris—before capitulation.**

they dug a canal, 170 miles long, 25 yards wide and 15 to 30 feet deep, from the Narin River to the great cotton-growing region south of the ancient city of Kokand. This year the Great Fergana Canal was lengthened to 217 miles, now irrigates 838 square miles, improves the irrigation of 695.

From 1930 to 1938 (last year for which figures are available) the U.S.S.R. was the world's third largest producer of cotton. Russia's growing industry needs more and more cotton, and in 1938 used the entire harvest of 3,000,000 tons (12,000,000 bales). Last week the Soviet press exulted that Russia would soon export cotton to the already cotton-glutted world.

No foreign correspondent has yet checked up on this rosy picture. But that it is not based wholly on self-delusion is shown by the fact that while European Russia gained 12% in population from 1926 to 1939, the Turkomen Republic grew 25%, Uzbek 37%, Tajik 43%. Only a real boom can produce such population increases, even in nations where labor moves from place to place at the orders of a dictator.

That these developments, briefly outlined in the foregoing paragraphs, constitute background information for possible dramatic developments in the not-too-distant future appears obviously. What these developments will be cannot be forecast now, but it seems more than likely that the Far East may be shortly drawn into the orbit of the European War. Whether or not Stalin would welcome this is known only to Stalin. He is supposed to welcome wars between capitalist states as a means of paving the way for future communist development, but the suspicion is growing that the present-day controller of Russia is not so deeply concerned with the spread of communism as was the case previously. True, he has no love for the big capitalistic corporations of the Democracies, and would quickly convert them into "state capitalistic enterprises," if he had a chance. But communism, such as the Russians preached and propagated abroad for so many years is no longer (or never was) practiced in Russia. The war crisis has caused Russia to scrap most of the idealistic "class labor" regulations adopted in an earlier day of revolutionary enthusiasm. The five-day week, eight-hour day, have been scrapped and no worker may change from one plant to another of his own free will. But the manager of the plant may shift his laborers form one plant to another if he wishes.

Eugene Lyons, former *United Press* correspondent in Moscow, went to Russia a communist, but left the country disillusioned. His first book, "Assignment in Utopia," was critical of Stalin and his latest book, recently published, "Stalin, Czar of All the Russias," is a further and even more devastating indictment of the Soviet Dictator. On Page 223 of Lyon's latest book appears this paragraph under the heading of Russia's Foreign policies:

> **"The Chinese adventure ended in a mass butchery of communists. Chiang Kai-shek destroyed the militant trade unions, literally strangled the communist leaders, and murdered thousands of their followers. It remains the most disastrous and disgraceful defeat in Stalin's career. Knowing what we do of his stubborn memory and calculated patience in matters of revenge, it is safe to assume that to this day Stalin nurtures a dream of retribution for Chiang Kai-shek. At the time of writing the Kremlin still provides a lackadaisical support to China against Japan. But the festering sore of the Kuomintang insult of 1927-28 must not be forgotten in watching the further unfolding of Stalinist policy in the Far East."**

**U. S. TO GET MORE PACIFIC BASES**

**The United States needs more Pacific bases and "we will have them," Colonel Frank Knox, Secretary of Navy, said Wednesday night in a speech to the annual New York Herald Tribune forum on current problems states United Press.**

# First Fruits of Anglo-U.S. Stand Seen in Japanese-N.E.I.

First fruits of the new Anglo-U.S. joint policy of non-appeasement in the Far East have not been slow in forthcoming. It is still too early to assess fully the extent to which the Japanese will be compelled to retreat from their expansionist objectives, but the sudden announcement on Tuesday in the well-informed **Straits Times** that under the Japanese-Dutch memorandum signed recently in Batavia Japan "would not include the N.E.I. within the sphere of the 'new order in East Asia'" is of obvious significance. Credence is given the report by the fact that the announcement came within 48 hours of the revelation that Great Britain had secured a virtual corner in high-octane gasoline in the Dutch Indies, followed by an official statement that the N.E.I. would sell oil to the Japanese, "but only after existing contracts had been met first."

The net result of the much-touted Japanese Economic Mission, which a month ago arrived in the N.E.I. to the blare of a high-powered Japanese press campaign demanding one hundred per cent Japanese domination of the Dutch Colony, while Nippon troops were carrying the message of the "new order" deep into Indo-China, appears to have amounted to only so much, then, as the Dutch cared to let them have —and they had all of that previously; the sale of oil on a strictly commercial basis and an agreement to deliver 100,000 tons of salt to Japan in three years. Not without solemnity is it suggested that the Mission bought wisely, for it will need more than a few grains of salt to make palatable its explanations to an expectant Japanese public.

Nor is that by any means the end of the story. A badly shaken Cabinet in which there were already rumors of an imminent reshuffle recalled the Economic Mission early this week to hear at first hand of the unbelievable firmness displayed by the Dutch in opposing any loss of their sovereign rights in the Islands. The story they will have to tell of course, will be a tale of Anglo-U.S. interference, but it will go ill with Prince Konoye's first "one-party" cabinet to have to report to its Axis partners so early and so signal a defeat. Germany has become increasingly anxious over Britain's continued resistance to aggression on the European side of the globe, and it is generally assumed that the first task allotted Japan by Berlin was the creation of a diversion serious enough to engage pro-British American attention more fully in Asia. Japan will have to report failure, and since a scapegoat must be found, it can be anticipated with all confidence that the last shreds of liberalism will disappear from the Japanese cabinet in the immediate future, assigned the disgrace of the N.E.I. fiasco.

From any reshuffle in the present Japanese cabinet, with the Japanese army in its present frustrated frame of mind, there can emerge only a full-blooded military dictatorship patterned on the Nazi model, and braked, perhaps, by the less extreme elements in the Imperial Navy. When this comes, then the real Far East crisis begins, and in all probability the fuse will be fired along the Burma Road, now operating at full blast despite the attention of Japanese bombers. In order to attain their objective, the complete closure of the Burma route, the Japanese would be compelled to bomb the termini, one of which is in British territory. It is doubtful if the British will regard any bombing of the route in their territory as an act of war, but they will defend themselves and bring down as many of the attackers as they may. An invasion of Burma, however, would be of another nature, and should an army dictatorship force Japan to this last extreme, the Anglo-American understanding undoubtedly would go into full effect, involving Indo-China and Siam.

Indo-China, during the past week, has played the unwilling, perhaps unconscious role, of stooge to Japan. The introduction of Thai (Siam) into the scene was clearly engineered by Japan, and as Thai's claims on Indo-China can never be supported by force, even with France in her present straits, the maneuver must have been engineered to distract attention from Japanese activities in Indo-China and more particularly the N.E.I. This theory is supported by the fact that **Domei**, Japanese news agency, alone held promise of Thai succeeding in her territorial claims. Japan's venture in the N.E.I. having failed, it can be expected that little more will be heard from Thai—until the need for anothers crisis faces Japan.

This general stiffening of peoples in the Far East, including the Chinese, towards Japan, can have been the effect of only one cause, the new Anglo-U.S. policy and its concrete interpretation in the evacuation of nationals, the acceleration of America's rearmament program, the stationing of the U. S. Fleet in the Pacific, the reopening of the Burma Road, and the promise of further financial support to China. Japan has been brought, for the first time, face to face with those realities of which her spokesmen have so often generalized.

# "U.S. Citizens Must Possess Guns, Know How To Use Them"—F. D. R.

PRESIDENT Franklin D. Roosevelt, in an address delivered at the White House on the morning of Friday, October 18, shortly after the commencement of registration for selective military service, said that in the days when the early Americans laid the foundation of their democracy, every family "had to have its gun and know how to use it." He also said that the calling of more than 16,000,000 young men to service constituted a revival of the 300 year old custom of the muster. His reference was to the annual custom of the early colonists to assemble all able-bodied men for military drill. It was on these occasions that muster-rolls were compiled from which officers and men were selected for active military service in defense of their homes and communities in case of necessity.

The following is the text of President Roosevelt's address:

"On this day more than 16,000,000 young Americans are reviving the 300 year old American custom of the muster. They are obeying that first duty of free citizenship by which from the earliest colonial times every able bodied citizen was subject to the call for service in the national defense.

"It is a day of deep and purposeful meaning in the lives of all of us. For on this day we Americans proclaim the vitality of our history, the singleness of our will and the unity of our nation. We prepare to keep the peace in this new world which free men have built for free men to live in. The United States, a nation of 130,000,000 people, has today only about 500,000—half a million—officers and men in the Army and National Guard. Other nations, smaller in population, have four and five and six million trained men in their armies. Our present program will train 800,000 additional men this coming year and somewhat less than 1,000,000 men each year thereafter. It is a program obviously of defensive preparation and of defensive preparation only.

"Calmly, without fear and without hysteria but with clear determination, we are building guns and planes and tanks and ships—and all the other tools which modern defense requires. We are mobilizing our citizenship for we are calling on men and women and property and money to join in making our defense effective. Today's registration for training and service is the keystone in the arch of our national defense.

"In the days when our forefathers laid the foundation of our democracy every American family had to have its gun and know how to use it. Today we live under threats, threats of aggression from abroad, which call again for the same readiness, the same vigilance. Ours must once again be the spirit of those who were prepared to defend as they built, to defend as they worked, to defend as they worshipped.

"The duty of this day has been imposed upon us from without. Those who have dared to threaten the whole world with war—those who have created the name and fear of total war—have imposed upon us and upon all free peoples the necessity of preparation for total defense.

"But this day not only imposes a duty; it provides also an opportunity—an opportunity for united action in the cause of liberty—an opportunity for the continuing creation on this continent of a country where the people alone shall be master, where the people shall be truly free. To the 16,000,000 young men who register today I say that democracy is your cause—the cause of youth.

"Democracy is the one form of society which guarantees to every new generation of men the right to imagine and to attempt to bring to pass a better world. Under the despotisms the imagination of a better world and its achievement are alike forbidden. Your act today affirms not only your loyalty to your country but your will to build your future for yourselves.

"We of today with God's help can bequeath to Americans of tomorrow a nation in which the ways of liberty and justice will survive and be secure. Such a nation must be devoted to the cause of peace. And it is for that cause that America arms itself. It is to that cause—the cause of peace—that we Americans today devote our national will and our national spirit and our national strength."

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The number of men registered for selective military service within two hours after the opening of the conscription headquarters throughout the country, was estimated between 16,000,000 and 16,500,000 men between the ages of 21 and 35 years inclusive. The men registered at approximately 125,000 offices throughout the country. The number registered in New York City was 1,107,000 and in Washington, D.C., 98,000. Actual registration was confined to written replies to eleven simple questions which required from five to ten minute for a normal registrant to answer.

## Race of the Destroyers

*McCutcheon in the Chicago Tribune*

The Senate on Thursday, Oct. 17, confirmed the appointment of Dr. Clarence A. Dykstra, President of the University of Wisconsin, as National Director of Selective Military Service. Lt. Col. Lewis Hershey, executive officer of the Selective Military Service, stated that the lottery to determine the names and priority of the men to be called up for active duty probably would take place between October 26 and November 2 and would be held in the national capital at Washington.

## People In U.S. Becoming Accustomed To Idea Of War, Says New Arrival

People in the United States were gradually become more reconciled to the prospect of war. declared one of Thursday's arrivals here by the President Coolidge. Those close to the Atlantic coast, he said felt that the forthcoming war probably would be with Germany, while those living on the Pacific coast were inclined to feel the conflict will be with Japan. Those who reside in the Middle West do not know where thought will fight will fight, he said. "None of us is anxious to fight, but think it is inevitable, and wish to be prepared fully" he disclosed.

A year ago there were few who felt that U.S. would become involved, and the vast majority said they would not fight unless the western Hemisphere was attacked.

"Today the growing sentiment in U.S. is that we must eventually fight and had best do it away from home," he declared.

While a great many were opposed to conscription in principle, it was evident that it was the only way to raise and train a fighting force sufficient for U.S. needs, he concluded.

# Australian Coast Offers Most Likely Last Line Of Anglo-U.S. Defense in the Pacific

TO what length the current discussions between Australia and the United States have been carried so far is difficult to discover, but as events in the Far East develop inexorably towards an inevitable crisis, it seems most improbable that the negotiations have not yet produced results as concrete as those produced by the U.S.-Canadian talks, even although the latter may have been given the greater publicity.

There are two excellent grounds for this belief; the need of the United States to acquire a last line of defense in the Pacific if she is to make use of the Singapore Naval Base, and Australia's urgent need of the presence in Far East waters of a fleet of such power as only the United States can offer while the British fleet is otherwise engaged—both of these grounds of course being predicated by the threat of a war in the Orient between Japan and the English-speaking people.

Australia's defense problems, as with any country of her size and lack of population, are as numerous as they are pressing. Added to her geographical and economical difficulties, Australia has also to overcome the handicap of a country which has been tied too long to its mother's apron strings—then suddenly brought face to face with the imminent propect of doing without the strings. The same remark applies to the Dominion of New Zealand, the fate of which must always be bound up with that of the larger Commonwealth.

Both countries have for long depended entirely upon the British Fleet for whatever protection they may have expected to need, and both countries for years after the Great War found the dream of the League of Nations, world disarmament, the foundation of their own private, isolated Utopias so beautifully to their liking that they were content to maintain the tradition of Empire reliance on the motherland (even though they were insistent enough on their claims to legal statehood under the still strongly disputed Statute of Westminister in 1931).

It can be understood how the slow disintegration of the League of Nations, so far distant to the people of these two ocean-lapped outposts of the British Empire, failed to raise any great apprehension among them. Both New Zealand and Australia were too busy raising their standards of living, maintaining the White Australia policy, attending to their sometimes lively domestic political affrays, to regard as a vital necessity some policy on defense.

## SECURITY DREAM ENCOURAGED

In this they were encouraged from every quarter. The "Yellow Peril" had been dispelled by the Anglo-Japanese Alliance and both Japan and China were good customers (the former's appearance at the wool sales undoubtedly prevented a post-war slump that might have wiped out the results of years of sheep-breeding and millions of pounds in investment). The United States saw in Australasia a fine market for cars which the Australians preferred to British makes in any case, and the Ottawa Empire Conference gave the two countries inter-Imperial preference in trade. It was an era of prosperity and false security.

Throughout this period of comparative content there were occasional half-hearted references by various Governments to the defense question, but they were promptly quashed by a rapidly growing labor party which demanded that if the State or Federal Governments had money to spend, then it should be spent on social service and not on guns. The burden of a colossal bureaucracy further discouraged the man in the street from the idea of greater taxation (there are three separate forms of direct taxation in Australia) needed if battleships were to be built.

Attuned only to a system of internal politics, therefore, the majority of Dominion statesmen remained unruffled in the face of dire warnings by a fairly active but ineffective minority, and even the most enthusiastic advocates of a defense policy independent of the Imperial plan were silence by the beginning of construction work on the Singapore Naval Base, which has not even yet been completed today.

It might have been expected that Japan's first adventure on the Asian continent in 1931-32 would have aroused Australian apprehension, but if it did, a controlled press remained silent while the great vested interests waited grimly for the effect British sanctions would have on a wool market which was being pulled out of a threatened depression by Japanese buyers. The Communist minded labor party of those days also was not saddened by the picture of Imperial Britain being humiliated then, and indeed, even later, in China.

## SHADOW OF THE SWASTIKA

The shadow of the swastika was the first sign of an eclipse of the Australian way of living and as the years progressed with the ascendency of Hitler, and the increasing frequency of unprovoked agression in Europe and the Far East, a rather bewildered Australia began to take stock of itself. Munich found the bewilderment turning to anger and fear, both of which were given expression in the bitter opposition to conscription and compulsory national registration, with which measure until the middle of last year Labor unions refused to associate themselves officially. Some of this bitterness has since passed, but the main object of Australia's military program is purely self-defense, with Imperial defense a secondary and voluntary consideration.

Australia's defense problem differs from the United States not only by reason of the country's bulk (approximately that of U.S.) and its lack of population (slightly less than seven millions), but chiefly because of the fact that it is an island continent and therefore, to be completely independent, she would be compelled to defend a coastline so large that such a task must be counted as impossible; or else meet and defeat the enemy before he reaches the coast. With the arms now at her command, an engagement at sea must also be considered impossible for Australia to undertake.

It is impossible, of course, to estimate the strength of British, Australian and New Zealand Fleet units now east of the Suez, but it is most improbable that the British are at pre-war tonnage, while it is known that Australian vessels have been in action in the Mediterranean (with signal success!). In 1938, however, the Australian fleet consisted of two modern heavy cruisers, one modern light cruiser, one old light cruiser, one flotilla leader, four destroyers, two escort vessels and one seaplane carrier. Under the 1939 program she added two more cruisers purchased from Washington, several modern torpedo boats, a survey ship (probably outdated) and a number of escort craft. At the beginning of 1939, a £63,000,000 (Australian) naval program was launched, expected to cover three years expansion, and it was anticipated that this figure would be increased by another $15,000,000 (compared with the total of £3,200,000 spent in 1931-32).

## FLEET STRENGTH STILL SHORT

Even with these additions, however, it is obvious that by the end of this year, when it is generally expected the Far East crisis will reach its climax, Australia will be in no position to fight either alone or with what is left of the British Fleet in these waters in the event of aggression by Japan. It follows, therefore, that Australia has to seek aid, and it can be assumed that she has gone to the United States, on whose help the average Australian has always relied to a great extent, for a co-defense program to which Australia would contribute the bases and the United States the floating tonnage.

So far as harbors are concerned, there is no lack of them at strategically placed points along the northern and eastern coast, but there are only few which are linked by suitable communications. New South Wales' famed Sydney Harbor is large enough to hold the United States Pacific Fleet, and it contains one naval dockyard (Cockatoo Island) capable of rapid expansion. This dockyard has already turned out an aircraft carrier, several fairly large merchant ships and a number of naval auxiliaries, and is well-equipped for its present purposes.

Port Darwin, in the tropical and undeveloped Northern Territory, has been converted into an air base of considerable importance, and along the Queensland coast inside the treacherous Barrier Reef it should not be impossible to discover harbors which would be unapproachable by an enemy fleet. Practically all arms and munitions for use by these possible bases, however, would have to be brought from abroad, for although the Australian munitions and arms industries have been expanded enormously since the outbreak of the war, the output is being absorbed by the Australian forces.

## AIR FORCE BEING DEVELOPED

In the air, Australia offers a more hopeful proposition, as during the past year really stupendous efforts have been put into a drive to give the Commonwealth an air fleet of 3000 planes by the end of next year. Apart from the steady flow of planes imported from the United States, Australia has rushed her infant aviation industry and two months ago was already turning out machines at the rate of a hundred a month. It is true that most of these were training craft, but the foundations for an air force have been laid, and with more United States materials and assistance, the 3000 goal is not beyond probability.

The defensive potentialities of New Zealand are another matter, for it is difficult to see how the Islands could be defended once Australia had fallen. Situated 1,200 miles slightly south of east of Australia, New Zealand is composed of two large Islands, which while they offer remarkable harbor facilities, are so isolated as to render them undefensable, and, indeed unlikely to be attacked militarily.

The various mandates and protectorates which are strung between Australia and Singapore also might be put to use as re-

fuelling stations in the event of an enemy breaking past Singapore. The foregoing, apart from willing enough manpower (750,000 between the ages of 21 and 35, a similar number between the ages of 35 and 60), is about the sum total of what Australia could offer the United States as her share towards a joint defense program based on the American occupation of Singapore.

### SINGAPORE'S STRATEGIC POSITION

The latter condition, of course, is supreme in all speculation on Far East strategy at this time, and in view of events, it might be pointed out that since the outbreak of the European War all Australian defensive plans have been centered on Singapore with a theoretical military alliance between Japan, Italy and Germany as a bearing point. Since these plans have been in no way altered since they were drawn up in 1939, they should fit in well with U.S. plans and thus lend further weight to the idea of a joint defense program.

The public has been made well aware in the last few years of the money poured into Singapore by Britain to reinforce the base against the possible loss of Hongkong, and theoretically in the event of a war between Japan and the English-speaking peoples, the latter Colony would of necessity undergo the first assault by Japan. This would be necessary to Japan in order to reduce as much as possible the undoubted assistance that would be given the United States and Britain by China. Japan would then be compelled to reduce one by one Singapore, Borneo, Java and Sumatra (the Dutch would be required in self defense to join in the battle) and then break down a line of resistance leading all the way to Australia. Meanwhile they would be flanked by Burma and Indo-China.

### MINISTER'S HINT IN 1938

Unusual secrecy has been maintained regarding the U.S.-Australian talks, but it must be taken for granted that these were among some of the matters discussed last week when Australia's first minister to Washington, Mr. Richard Casey, had long consultations with President Roosevelt and Mr. Cordell Hull. Nevertheless it is significant in view of the relative importance of Hongkong and Singapore in this theoretical scheme of defense, and the relative periods lapsing between the British evacuation of the Colony and the United States evacuation of the Far East, that following Mr. Casey's talk with the President, it was believed in Washington a clarification of the Anglo-American-Australian talks would not come until after the U.S. evacuation move had been completed. As a parallel, the two facts seem more than only coincidental.

Further, in presenting the budget in December 1938, the Australian Minister for Defense declared:

"The people of Australia have the fullest appreciation that British seapower is the essential basis of the security of the Empire. We look to Britain in an emergency to station at Singapore a fleet of sufficient strength to safeguard Empire interests in the Eastern Hemisphere. . . . If Britain is confronted with an alliance, there is no reason to believe that she would lack powerful allies."

## Police Reported Warned Off Widler Case By Japanese Gendarmerie

Interesting developments were recorded last week in the Widler $2,000,000 swindle case (**Review**, Oct. 19, 1940). Elly Widler, wanted by police in connection with the greatest robbery in Shanghai, claimed Friday night that Japanese gendarmes through a legal representative, had warned the Shanghai Municipal Police to drop the case against him and release Wilhelm Bender, a German arrested in connection with the removal of the huge stock of copper from the godown of Commercial Express and Storage Company.

Receiver of the note from the Japanese was reported to have been G. J. Bennett, the officer who failed in his attempt to arrest Widler in his Broadway Mansions apartment.

It was reported the note said:

"Regarding the copper in the Commercial Express and Storage Company godown, the stock was not stolen by Elly Widler of Wilhelm Bender, but confiscated by the Japanese gendarmerie. The necessary documents proving that the copper was Chungking property, and the godown warrant received by the Central Mint of China respecting the property, are with the Japanese gendarmerie and are available for inspection by the S.M.P."

The note, according to reports, also pointed out Widler charged that documents held by Mr. Harris G. Nelson on the storage of copper in the American Godown were false.

On Monday, Widler returning from a golfing excursion to Nanking, announced from his 17th floor apartment that Wilhelm Bender, being held by police, would be released before today.

Last Friday Rudolph W. "Rudy" Mayer, brother of the M-G-M magnate, sought by the U. S. Court officials for more than two weeks on charges of obtaining $10,000 under false pretenses, walked into the office of the U. S. Marshal at 4 p.m. With him was his attorney, Cornell S. Franklin. Mr. Mayer paid US$1,000 bail and was released.

On Monday he appeared before Judge Milton J. Helmick at the U. S. Court and pleaded "not guilty" to charges. Trial was set for today.

# Shanghai's Old Order Saves City from Attack

BY JOHN AHLERS

IT is no use cherishing illusions instead of facing facts. It is much better to realize and speak out the truth. The present Shanghai situation is so full of tension and international complications that, at any moment, it may lead to a major incident of tremendous consequences. Whether or not the great powers so desire, such an incident may force their hands and set afire the whole Pacific. Another "Panay" affair could not be liquidated peacefully now. Besides, it may not be beyond certain quarters to stage here intentionally an incident of major proportions in order to precipitate a general conflagration. These dangers are great and real, and justify the pending evacuation from China of American women and children.

The local state of affairs, however, would seem to contradict those who think that all by itself it must inevitably lead to open war between Japan and the Anglo-Saxon powers. On the contrary, barring accidental or manufactured incidents of premier magnitude, and an outbreak of Pacific war on other accounts, the local situation is likely to continue as it is for quite some time. Those who are scared to death are the general public. The "big boys" of Shanghai business are more confident. They see, of course, the increased local risks, and they try to unload upon Hongkong refugees and the local public some of their former exclusive holdings in order to increase their liquidity. Within this category belong the recent considerable releases of stocks and shares, sales of real estate, and such transactions as last week's transformation of Ewo Breweries from a private enterprise into an open stock corporation. Yet the "big boys" are not yet on flight and still think they may be able to hold on to the bulk of their properties.

The Japanese, without question, are firmly determined to control, to dominate, and possibly to take possession of the whole of Shanghai. Treaties or no treaties, that is their aim. The more reasonable minority among old-established local Japanese business men who recall the peculiar advantages to all concerned of a cosmopolitan Shanghai, and who do not want Shanghai transformed into another Dairen, are being silenced by the new order racket. We also must realize that, as regards the immediate future, the Japanese may have Shanghai for the mere taking. Their fighting forces hold all parts of the city that ought to be administered by the Chinese; they equally hold the Settlement's Eastern District and Extra-Settlement Roads; they have practically at their mercy the French Concession.

Old Shanghai maintains itself, with considerable restrictions, merely in the districts protected by the U.S. Marines and the Shanghai Volunteer Corps. These forces, even if backed up by the guns of the U.S.S. "Augusta," could not maintain for three days a successful defense against a Japanese military onslaught. There would be no prospect of reinforcements since by land, and by sea the Japanese hold in their power all routes to Shanghai.

Yet it is improbable that, as things are now, the Japanese will take the rest of Shanghai by force. The fate of Shanghai, for this generation, will be decided by the present wars in China and Europe. If these wars should end in the defeat of the Chinese and Anglo-Saxons, the Japanese will be on top of the world, and will get the whole of Shanghai automatically without special effort or risk. Like over-ripe fruit it will fall into their hands. If, on the other hand, the Anglo-Saxons should be victorious, the Japanese would be unable to hold

Shanghai even if they had taken it previously by a *coup de force*. There would be little purpose therefore, in the Japanese seizing the whole of Shanghai now at the risk of finding themselves in open war with the Anglo-Saxon powers, unless they wanted to provoke such a war, and unless they may expect from full possession of Shanghai advantages so decisive that other considerations would not count.

The greatest value of Shanghai is not that of a city with valuable land, buildings, factories and wharves as such, but is that of Shanghai as a huge going concern. As such, Shanghai is extremely valuable to the Japanese, too. Not only does Japanese capital rank second in local foreign investments; not only are some of the major industries of Shanghai predominantly Japanese; not only do vessels sailing under the Rising Sun flag hold first place in local shipping. Shanghai is of premier importance also to the Japanese fighting forces in China as a major base for securing supplies which they cannot obtain elsewhere.

If simple business considerations do not appeal to the Japanese military, then the latter must be concerned with the economic and financial aspects of the China war, and must realize the full value to them of Shanghai in this respect.

A forceful seizure of all Shanghai by the Japanese now is bound to involve Japan in war with the United States and Great Britain, and thereby deprive the Japanese immediately not only of all the advantages they may hope to reap from such a seizure, but in addition, of a great many advantages which Shanghai holds out to them today.

Local repercussions of such a war may be envisioned. The Japanese would march into the Settlement South of Soochow Creek, would round up enemy citizens and confiscate their property, and would turn the whole into another Chapei or Nantao. They would seize Anglo-Saxon, and in addition certainly a great many Chinese-owned, lands, buildings, factories, ships, dockyards, commodity stocks, and cash in banks. But it would be only then that the real problem would begin, together with the greatest depression that Shanghai would have ever seen.

The western Pacific would be blockaded by the Anglo-Saxon navies. Shanghai would be reduced to economic intercourse with the Japanese sphere of power exclusively, and there, Shanghai could not secure raw cotton, wool, jute; iron, steel, and non-ferrous metals (the United States today supplies 95 percent of Shanghai's metal imports); wheat, wheat flour, rice, leaf tobacco; coal, mineral oils; machinery, vehicles, chemicals, dyes, etc. which Shanghai needs, and without which this city cannot carry on as it does at present. (The Japanese Empire share in Shanghai imports this year, chiefly because of the commodity shortage in Japan proper, dropped by 10 percent, while the share of the United States and the British Empire in the supply of Shanghai imports increased to almost 70 percent. Most of the remainder of Shanghai imports is coming in via routes which the Anglo-Saxon powers may seal hermetically.

Trade, shipping, industrial activity, and values of all sorts of property at Shanghai would drop to unprecedented lows. In numerous branches of business, activities would cease altogether. Today, Shanghai is the best supplied city in the whole of Japan and China. Every month, non-Japanese foreign supplies valued at three to four times the value of local exports arrive here. A large portion of these supplies go directly or indirectly to the Japanese. But with a Pacific war resulting, these supplies would cease, and on the background of the impoverished hinterland whose major resources the Japanese already have appropriated, Shanghai is bound to become the poorest supplied city in these parts of the world.

On the basis of this reasoning it may be assumed that even the Japanese will think twice before they slaughter the goose that lays the golden eggs. No rejoicing over a further advance of their new order will compensate them for the loss of the economic and financial advantages of Shanghai's old order. Shanghai's greatest value is that of a going concern, not that of a dead property. Ancient Greek mythology reports a famous case of three daughters who cut to pieces their own royal father and cooked him in the hope, encouraged by a scoundrel magician, of restoring to him his youth in order to make him a more agreeable member of the family. But the experiment ended badly; the old man remained stone dead.

The majority of responsible Japanese still seem to realize these peculiarities of the Shanghai situation, and to draw the obvious conclusions. The Japanese will continue to harass Shanghai and to try to get the city more and more under control, but will avoid an open break while trying to force Western business interests into gradual submission.

If, of course, a general Pacific War should break out on other than Shanghai accounts, the Anglo-Saxons will blockade the Western Pacific and the present Shanghai situation will lose all its advantages to the Japanese. Then, the Japanese certainly will take the whole city at a single blow. The *de jure* technicality of Settlement and Concession forming neutral ground in Chinese territory is unlikely, in that case, to appear to them an obstacle. Then they will either formally declare war on China and seize all Shanghai as enemy territory, or they will recognize the Wang Ching-wei regime and have it declare war upon the Anglo-Saxons to liquidate the latter here on behalf of Nanking.

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## Frenchtown Trams Resume As Company Capitulates To Nanking Terrorists

Frenchtown's 34 days transport tie-up ended Wednesday as the Compagnie Francaise de Tramways et d'Eclairage Electriques capitulated to the demands of the Nanking-backed terrorist organization which engineered the strike.

"It is all over," Mr. J. Favret, manager of the company told waiting pressmen wearily as he emerged from a day-long meeting with the "Union" representatives. His statement was symbolic, perhaps, for the meeting ended with the company giving way on every point.

The new Union has been recognized by the company as representing the workers; the old union has been "merged" with the new. Wage increases of $6 per month per man were granted. Mr. Favret did not know how much the strike had cost the company—"it must run into thousands," he said. What the "new order" with an organization led by gun-wielding thugs will cost the company cannot be estimated, but it will be more than "thousands."

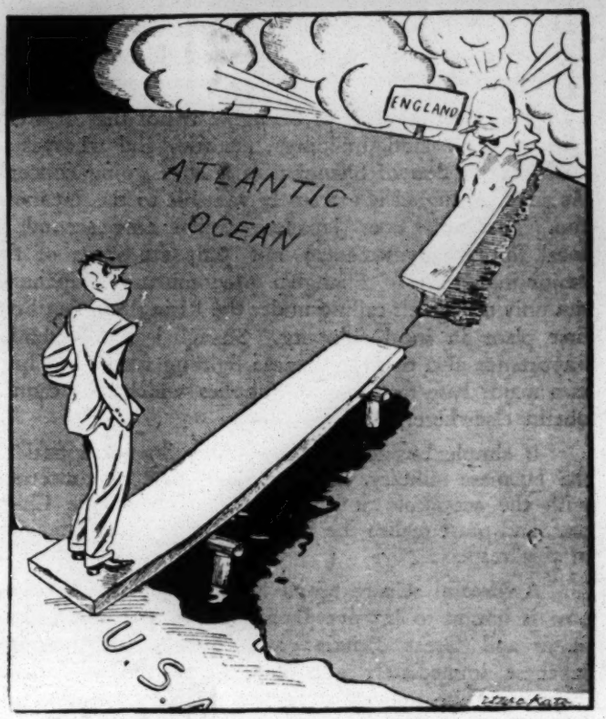
The agreement was reached Wednesday, but the strikers did not get the Concession's transport service running at full swing until yesterday. A final "celebration" among workers and the necessity of cleaning rail channels held up work for a day.

# THE WAR IN CARTOONS

## Forgotten Guest

*Chicago Tribune*

## Two-Way Bridge—Japanese View




**Cartoon in *Japan Times*, Tokyo, indicates how America and Britain are bridging the Atlantic, America by sending warships to Europe and Britain by handing over naval bases in her colonies to the United States.**

## "Youth of the World—Unite"

**Cartoon in Chungking newspaper urges the youth of the world to unite against the imperialist war. Uncle Sam is shown observing the struggle.**

## "The Monster Slays Its Maker"

*The Chicago Tribune*

## While U.S. Prepares, Europe Battles

THAT OUGHT TO KEEP US FROM GETTIN' SO "HEY UP" EVERY TIME THEY HAVE A CONFLAGRATION IN EUROPE!
U.S. SECURITY
RING OF NAVAL AND AIR BASES

*Chicago Tribune*

**Uncle Sam's "Fire-Wall" to keep Americans cool.**

*Chicago Tribune*

**Berlin gets a taste of Nazi's own medicine.**

*Chicago Tribune*

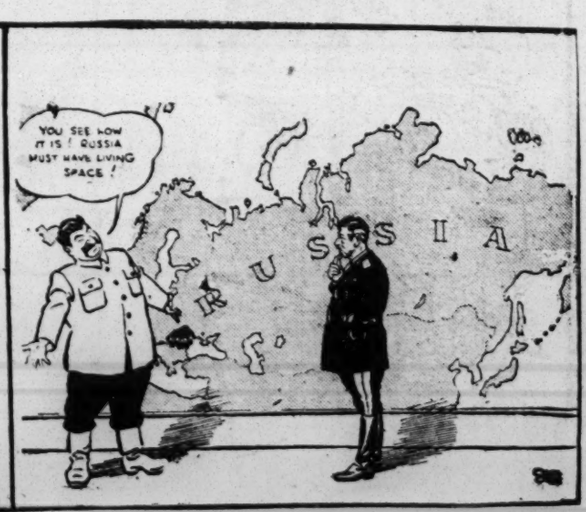
**Hitler caught in the back-lash of a war wip.**

*Chicago Tribune*

*Washington Post*

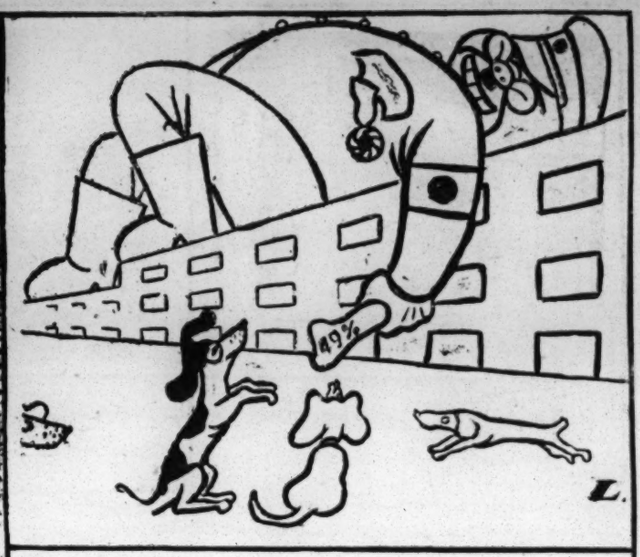
*South Wales News*

**"In—Now how to get out?" says the caption for the cartoon at left. Herr Hitler hovers on the brink of the problem. In the *Washington Post*, Bishop asks "Where Now, Hitler?" (center). The Fuerher is shown carrying his Mein Kampf, surrounded by Russia, Turkey and the Balkans. Acting since this cartoon was made, Hitler has given his answer to the quesetion in Rumania. The two Axis dictators are shown, right, massaging oil out of dethroned Carol's Rumania.**



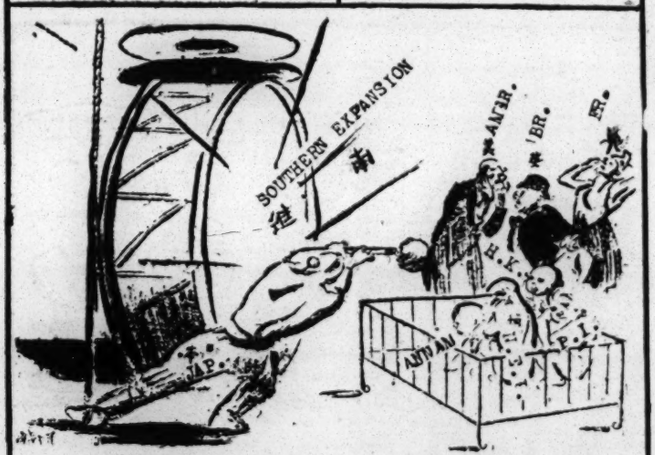

**Kew's cartoon at right, reproduced from the *North China Daily News* Noon Bulletin, admirably catcres the spirit of Hitler's gesture to Mussolini by offering him the arid stretches of northern Africa. At left, the *Glascow Record* artist depicts Stalin's explanation to Rumania of he necessity of Russian moves in the Balkans. "Well," says the caption, "that excuse is as good as a ny."**

## How Chinese Cartronists See The China War

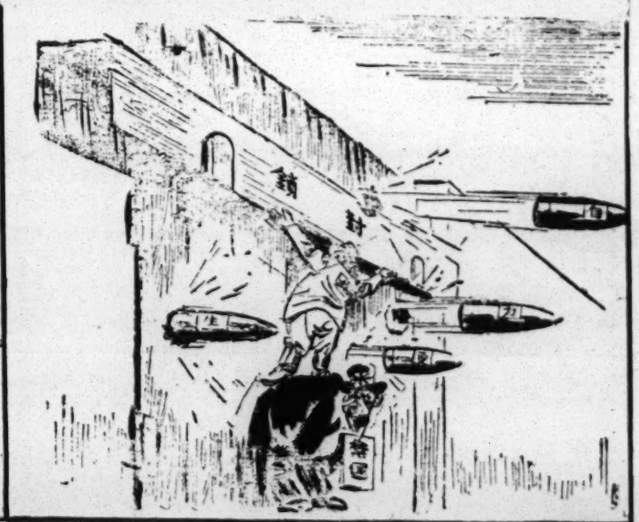


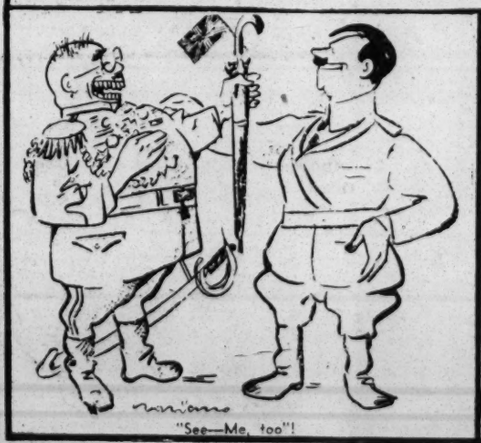

*Mass Weekly*

A Chungking artist depicts the Japanese army coming head-on to Chinese national unity (top left) Above, "less than 50 per cent" is the bait designed by the Japanese master for puppets, views the Masses Weekly. Middle left, another artist urges U.S., Britain and France to stop the drum beater (Japan).




China's shells are still being fired despite the Burma Road closure and the Japanese blockade, shows this uncomplimentary cartoon to the British (drawn before the Burma Road reopening decision). The lower three drawings reflect reaction to the military alliance: first, the Japanese army holding a Union Jack and the well-known British appeasement umbrella, second, Prince Konoye sweeping the way for Naziism; thirdly, the Japanese premier in a Hitlerian role. *Mass Weekly*






*China Today*

*Mass Weekly*

*China Fortnightly*

# U.S. Ready For War In Both Oceans, Declares Bishop Ward

American public sentiment is today ready for war on either ocean. Americans do not want war but most of them think it is inevitable. The Government and people alike are ready to act unitedly for issues and dangers which they now think they see clearly. So spoke Bishop Ralph A. Ward of the Methodist Church when he arrived in Shanghai on the President Coolidge Wednesday.

He declined to comment on conditions in Japan, where he stopped over for several days, but explained to reporters that the change in America during the past six months has been startling. Every week sees America better prepared, he explained. Industries are stepping up production to nearly 100 per cent capacity, and the billions of dollars that have been provided for American rearmament are promptly granted by Congress.

This, Bishop Ward explained, was due to the fact that the government seems to have vital information about international dangers and possible changes both in Europe and Asia. Leaders in the Senate and the House of Representatives are convinced of the urgency, he said.

### Sees Closer U.S.-British Tie

The bishop saw a greater Anglo-American solidarity than even in World War I. Differences in American internal policies now are insignificant in contrast to the over-whelming unanimity on international questions. Broadcasts and newspaper reports are followed by scores of millions of eager Americans who form the tidal force of American public opinion.

It is apparent that America has passed the period of written appeals to treaties and international conferences, Bishop Ward went on to explain. She has returned to the attitude of Woodrow Wilson as the war president, and Theodore Roosevelt who believed in "speaking softly but carrying a big stick."

The election of either Wendell Willkie or President Roosevelt will make no essential change in America's war abilities and determination. Especially as long as the British navy remains intact, Bishop Ward felt that the adjustments of recent years bring the American economic structure where it can stand the strain of major war on both oceans at the same time, whenever other nations take a further step on the offensive.

### U. S. Ready For Peace

In spite of the ominous picture he painted, Bishop Ward was sure that America would unite with other nations for peace if there appear substantial signs of an honest return to reason and fair negotiations of pending international issues. The day of diplomatic notes has passed, however.

It will be many a long year before America will try to lead the world to disarmament by scrapping its battleships and cancelling its orders for more naval and military equipment, the Bishop further believed. A genuine return to fidelity to international agreement and to honest use of friendly negotiation for mutual benefit among the nations is the only solution.

Bishop Ward saw this ominous change in America with painful longing for a better day than that in which we are living. He wondered whether there are still not enough "statemen and civilians and even military and naval professionals in other nations and in America yet to forestall that vast enlargement of the present wars in Asia and in Europe which will devastatingly occur if America becomes a belligerent in both the Atlantic and the Pacific. After all," he added, "Americans would prefer peace. So would the common people of every country. And perhaps even some of the promoters of war would now rather find a way to peace."

## Hull Says Shanghai Appeals Evacuation Being Studied

The Secretary of State, Mr. Cordell Hull, announced in Washington Wednesday that the United States Government was giving full attention to complaints against high American steamship fares on the Pacific received from American nationals in China, says a United Press message.

Mr. Hull said the Government's policy was to guard against excessive profits for the shipping companies, keeping fares down to a reasonable level which would still avert any losses by the shipping companies.

Mr. Hull said that for the moment he had no new announcement to make on the evacuation fare question, but other State Department sources indicated that some new development in the Far Eastern situation might be disclosed later. No indication was given, however, of the nature of this possible development.

### Plan Not Considered

Mr. Hull said that no thought had been given by the State Department to a proposal by the Federal Maritime Commission under which the costs of operating emergency evacuation ships would have been pro-rated among the passengers.

Meanwhile, other official quarters said that the rates for the evacuation of Americans from the Far East still were under consideration between the Government and the shipping companies.

At present, however, there appears little likelihood that the rates can be reduced much, if at all, because of the great costs involved in making the emergency voyages, it was said. Even at present rates, it was said, the ships will be operating at a loss.

### No Freight Revenue

Officials pointed out that the emergency evacuation vessels, the Washington, Mariposa and Monterey, had been withdrawn from their regular courses to make the special trip to the Orient without much, if any, freight revenues which normally help to defray costs.

Officials pointed out that the liners must make a two way trip without much freight. Consequently, they said, passenger fares must be sufficient to pay costs.

The Government, it was said, lacks funds for the removal of American nationals from the Orient at Federal expense.

Officials said, however, that American consular officials and others would cooperate in obtaining funds for destitutes.

Reports that Japanese and Dutch shipping lines were making a bid for the American evacuation business aroused much interest in official and shipping circles here. Officials indicated that this factor might be considered among other issues during current talks between the Government and American shipping executives. They indicated, however, that this development would not become a major consideration.

## Dairen To Ration Rice And Sugar

Restrictions on the sale of rice and sugar will be enforced in Dairen as from November 1, the Supply Department of the Kwantung Government announced in Dairen on October 14.

Japanese Residents will obtain about 32 pounds of rice per month if they are over 13 years of age, and 22 pounds if they are under 13.

Rice for family consumption will be delivered to consumers by the Territorial Rice Dealers' Business Union, while sugar will be distributed by the Kwantung Sugar Importing and Distributing Union in its retail shops, says a Havas message.

Tickets will be given out to the population for their sugar and rice rations. The tickets will be valid for six months.

It has been decided that sugar will be distributed twice a month only while rice will be given out three times a month.

## Silver Bullets Gain Power As European Economic War Develops

Silver, gold and a lot of other metals were flung into the struggle in Europe last week, when Britain, according to figures issued almost simultaneously by Berlin and London, outspent the Nazis, in cold cash, by over three to one.

British war expenditures for the four weeks ending October 1 averaged over 64 million pounds sterling weekly, Sir Kingsley Wood, Chancellor of the Exchequer, said on Monday in the House of Commons.

Dealing with a new credit of one billion sterling, Sir Kingsley said the daily rate of expenditures for the fighting services was £7,500,000, while other services took £1,500,000.

Expenditures for the fighting services since March have nearly doubled, which he regarded as "encouraging evidence of the progress of the war effort."

"I hope the rate of expenditure will even further increase," he added.

On their side, the Nazis stated they were spending 150,000,000 marks (nominally US$60,000,000) a day in military expenditures, plus 17,000,000 marks (US$6,800,000) a day for administrative civil expenses.

What these astronomical figures mean to the average German can be pictured from estimates of one financial expert that the government controls and uses 50 per cent of the entire national income, says a United Press message from Berlin.

Direct national and local taxes and excise duties amount to 34 per cent of the national income, while the remaining 16 per cent is made up by indirect methods.

Nor is the German citizen the only one to feel the pinch of these vast expenditures.

It was officially announced recently in Vichy that France was paying 20,000,000 marks (US$8,000,000) a day, retroactive to June 25, for the upkeep of the German Army of Occupation.

# China Mourns Chang Shan-tze; Great Modern Artist Dies Suddenly

BY A SPECIAL CORRESPONDENT

Chungking, Oct. 21.—All China went into mourning today for Chang Shan-tze, perhaps China's greatest modern artist poet, and certainly her best known abroad, following the death of the famous animal painter here suddenly yesterday at the age of 66.

Chang's works, and particularly his peculiarly "live" tiger canvasses and scrolls, are known the world over and are considered a prize by collectors. He added to his universal fame recently as the result of an extensive tour of Europe and the United States, the proceeds of which, approximately $100,000, were donated to the National Relief Commission, of which he was an active and enthusiastic member.

The great artist's tour was a triumphal farewell to his fellow-countrymen and hundreds of foreign friends abroad, and apart from the proceeds of his own shows, he was instrumental in arousing overseas organizations to greater fervor than ever, resulting in a heavy flow of welcome foreign currency to China.

Chang Shan-tze arrived in back in Chungking from his tour on October 4, after having spent 21 months on the move, and he brought with him an honorary Ll.D. from Fordham University as tribute to the esteem in which he was held in the United States.

After a brief rest, the aging but still energetic artist called on Lin Sen and Generalissimo Chiang Kai-shek to arrange for a public exhibition in Chungking of all the original drawings and paintings he had shown abroad. It will be recalled that during his tour Chang sold only duplicates of these greatly prized originals, turning out the copies at the remarkable speed of from six to eight a day. In addition to making preliminary arrangements for the exhibition in Chungking, Chang also devoted the first few days of his return to meeting those of his old friends who were his fellow-workers in Dr. Sun Yat-sen's revoluntionary party.

## Kind, Big Hearted Man

Like the tiger he painted with his Chinese brush, artist-poet Chang Shan-tze was lively, graceful and vigorous. Unlike the savage and ferocious animal he created, Chang was a kind, big-hearted man. Szechuan was his "home province," although his ancestors originally came from Canton.

To the day of his death the 66-year old artist, with his thick and long eyebrows, black moustache and graying beard, wore a black mandarin jacket over his long gown, and also clung to Chinese shoes.

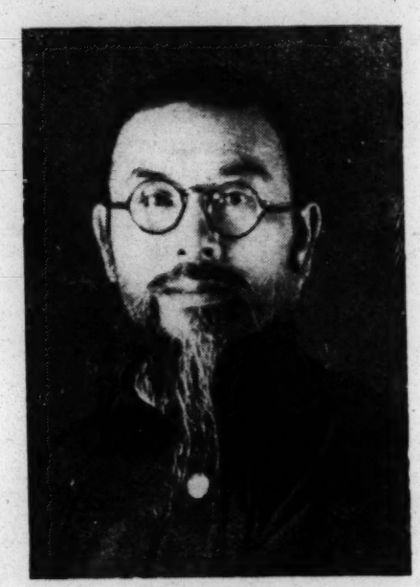
Friends of the famous artist said that apart from the world fame he collected on his trip, the honorary LL.D. degree from Fordham, and his graying beard, Chang Shan-tze looked the same on his return as he did before he left China in the winter of 1938.

Chang Shan-tze's most famous painting was "O China, Roar Like These Tigers"—a huge mural showing 28 tigers in wild charge. These tigers, said the aged artist, represented the 28 provinces of China, for he believed that the spirit of New China must be symbolized by the vigor of tiger.

Chang worked with almost incredible speed. His masterpiece, for instance, took him only three days to complete. He said that he was inspired by Hsiung Fou-hsi, well-known Chinese playwright, to work on the mural. The famous work was made in Ichang at the time the Wuhan battle was raging.

All the 28 ferocious tigers in the painting, shown charging in the same westerly direction, "roar against a setting sun,"—according to their creator. "Japan is the big Bad Wolf who threats China like a Little Lamb. That's why in the beginning of the Sino-Japanese hostilities Japan claimed that she could beat China to her knees within three months," he explained. "But a united China is unconquerable," he added. "The 28 tigers in the mural indicate that all the provinces of China are fighting in unison against their common foe."

"The Song of Righteousness and Intergrity" was another famous work of



Chang Shan-tze

Chang Shan-tze. Consisting of 14 pieces, this work portrayed the ancient national heroes mentioned in the ballad of the same title by Wen Tien-hsiang. He painted this set of pictures because for years he felt that righteousness and integrity was what a country like China needed. Chairman Lin Sen and Generallissimo Chiang Kai-shek each autographed one of the 14 scrolls in Nanking, where they were painted.

(Wen Tien-hsiang, who was a high official of the Sung dynasty, refused to work for the Mongols who conquered Cathay in the 13th century and installed themselves as the Yuan dynasty. After five years of imprisonment and drudgery, Wen died a martyr in 1282 A.D. He composed the "Song of Righteousness and Integrity" to show his real feelings and as a lesson to his fellow countrymen.)

## Taught By His Mother

"Tiger Crazy"—as the artist nicknamed himself—received his training in the fine art of Chinese painting from his mother who was the first one to recognize his talent. Chang specialized in the painting of tiger because even as a youngster he felt that China needed the "spirit of the tiger." Some years ago he was presented a pair of tiger cubs by a general in Kweichow. Chang Shan-tze was greatly pleased with the gift, and although one of the cubs soon died the second one remained the household pet of the Changs when they were staying in Soochow. Visitors were sometimes stunned when they saw an unleashed, uncaged tiger strolling sedately in the artist's garden. Until the death of the tiger it was a playmate of Chang's daughters.

Practically all of his paintings carry a short poem written by the artist himself. The poems and the paintings which he displayed abroad all appealled for loyalty to China. Chang received the fashion of the Ming dynasty of using a poem to caption the painting and the painting to illustrate the poem.

"It is a memorable experience to watch the world's greatest tiger painter bring to life on paper this beast of the jungle," wrote Dard Hunter, world-recognized authority on papermaking and curator of the Dard Hunter Paper Museum at the Massachusetts Institute of Technology. "The delicate but sure strokes of the brush," Hunter continued, "start at the tip of the tail and with rhythmic, carefree ease travel up the spine, bringing muscles into play—the power of shoulders and paws, the ferocity of the animal's face, eyes aglitter with anger. Suddenly there stands before one a living, breathing tiger—a miracle produced under the hand of a master painter."

## Symbolic of China

Hunter also believed that Chang Shan-tze possessed the philosophy of the great artist-poets who have lived and worked throughout China's thousands of years of culture. Symbolism, probing beneath the surface to the inner meaning, so skillfully handled by this modern painter, has always been regarded as a fundamental characteristic of Chinese art.

In New York City where Mr. Chang spent most of the time during his stay in the United States, he painted pictures in a tiny garret on Broadway. There he saw few persons, and refused to participate in any affairs which would have kept him from his work. Exhibitions of his works were staged in New York, San Francisco, Chicago, Philadelphia, Boston and other cities.

In the United States the renowned artist-poet sold two tiger paintings for CNC$10,000 apiece. Another tiger scroll netted CNC$5,000. Among his patrons were ex-President Albert Lebrun of France and America's First Lady. M. Lebrun was greatly impressed by the technique of the Chinese painter when he attended Chang's exhibition in the French National Museum in Paris on March 13, 1939. Mrs. Franklin D. Roosevelt gave a party in the White House in honor of the elderly artist. Mr. Chang presented a special painting too President Roosevelt. Pearl S. Buck, author of the "Good Earth" paid US$50 for a picture which was drawn by Chang in ten minutes.

When Chang Shan-tze passed through Hongkong on his way to Chungking his friends urged him to give an exhibition of his famous paintings. In four hours' time a record attendance of over 2,000 filed through the hall where the life-like paintings of Chang were on display. Four Chinese newspapers in Hongkong—the **Ta Kung Pao** (L'Impartial), the **Sin Tao Jih Pao**, the **Wah Kiu Yat Po** (Overseas Chinese Daily News) and the **Kuo Min Jih Pao** (People's Daily News) published special supplements on September 29, the day of Chang's painting exhibition.

## WAR CAUSES MORE T. B. IN JAPAN

A radical revision of the Tuberculosis Prevention Law, intended to check the present growth of the disease, is provided for in a Public Welfare Department bill which will be submitted at the Diet's forthcoming session, according to the **Japan Chronicle** on October 17.

According to latest estimates, 1,500,000 persons in Japan are afflicted with tuberculosis, which causes about 150,000 deaths a year.

The number of victims has been increasing since the outbreak of the China Incident, partly because of the harder working conditions in industrial plants, and partly owing to the shortage of housing facilities.

# Man in the Street Drives U.S. Stake In N.E.I.; Actual Investments Small

EVERY time an American housewife opens a can, every time an American motorist comes to a screaming stop on protesting tires, they are driving so much deeper America's stake in the Netherlands East Indies. For it is the man on the street, and the housewife in her home, who have the greatest interest in the Dutch colony and whose lives would be most affected by any change in the **status quo** of those immeasurably rich islands from which come much of the tin and rubber and other commodities they use.

So far as actual capital investment is concerned, the United States has but little authority for the stern warning first uttered by Mr. Cordell Hull, Secretary of State, on April 17 this year. It was because every man, woman and child in America depends daily in some manner on the produce of the islands that Japan was told bluntly that any change in the **status quo** of the Netherlands East Indies would concern the United States.

"The Netherlands Indies," Mr. Hull said in April, "produce considerable portions of the worlds supplies of important essential commodities, such as rubber, tin, quinine, copra, etc. Many countries, including the United States, depend substantially upon them for some of these commodities. Intervention in the domestic affairs of the Netherlands Indies, or any alteration of their **status quo** by other than peaceful processes would be prejudicial to the cause of stability, peace and security not only in the region of the Netherlands Indies but in the entire Pacific area."

It is true that the United States of late has hastened to develop substitutes for most of the products for which she relied on the N.E.I., but many of these products are not being produced in sufficient quantities nor economically enough to satisfy American demand, and for certain purposes these substitutes are not so satisfactory as the natural product. Out of all U.S. investments abroad, the N.E.I. has drawn only about 0.4 per cent of outflowing capital, yet despite this and strong opposition by the Dutch authorities to the influx of American capital, trade between the two countries has increased year by year. This increase may be measured by figures given in Far Eastern Survey Fortnightly Research Service.

In the first year of the Great War the Islands accounted for only 0.2 per cent of total American imports; by 1925 this had risen to 2.3 per cent of total imports. In 1939, the N.E.I. was sharing 4 per cent of America's imports. These figures may appear insignificant at first sight, but they reach their true proportions when viewed in comparison with the size of the Colony and the value of its products.

As a source of imports of the so-called essential commodities the Netherlands Indies seem unimportant in comparison to other Southeast Asia countries. By far the largest portion of American supplies of rubber and tin come from British possessions. Even coffee, the one commodity popularly associated with Java, only comes in negligible quantities from the island. On the other hand, it should be noted that the Dutch, through constant experimentation, have become the world's most efficient producers of tropical products, and their efforts have kept world market prices down—a fact that must be taken into account by competing producers in other countries.

Here again a wrong impression may have been produced, for despite the figures outlined above, a variety of commodities consumed in the United States are drawn almost exclusively from the N.E.I. In 1939, for instance, 81.6 per cent of the raw green coffee imported by the United States came from the Islands. Other commodities, and the per centage they shared in total American consumption in 1939 are as follow: Sago and tapioca, 88 per cent; sisal, 83 per cent; tea, 96 per cent; cinchona, 65 per cent; nutmeg, 99.4 per cent; palm oil, 88 per cent; mace, 83 per cent; copra, 72 per cent. Although America obtains most of her rubber supplies from British possessions and South America, nevertheless the Dutch East Indies supplies 28.5 per cent of American rubber consumption and 48.7 of her latex.

## Monopoly of Quinine

Quinine heads the list of products for supplies of which America is dependent on the Netherlands Indies. Nearly all the U. S. requirements of cinchona bark, the source of quinine, are imported from the islands. This represents from 1.3 million to nearly 4 million lbs. annually, and is valued at $0.5 million to $1.1 million. The widespread incidence of malaria in the United States makes a constant supply of quinine essential.

Next in the group of commodities of which the Netherlands Indies are the chief American source is pepper. Imports of black pepper range from 5 million to as high as 66 million lbs. per year, while those of white pepper have risen as high as 5 million lbs. These amounts represent nearly half the total exports of pepper from the Indies. Black pepper is grown mainly in the southern and northern parts of Sumatra, while white pepper is found on the island of Banka, in Benkoelen on the west coast of Sumatra, and the western and southern parts of Borneo.

Of the other spices, nutmeg and mace from the Indies account for more than half the total U. S. consumption and represent a little less than half the islands' total exports of those articles. Nutmeg is grown in the Molucca Islands and its cultivation is almost a monopoly of the Dutch, although small areas planted with nutmeg trees are also found in the British West Indies and British West Africa. Mace is that part of the nutmeg which forms the red leafy cover enclosing the nut. Cinnamon and cloves come only in small quantities from the Indies. About 15 per cent of the total American supplies of cinnamon and about 5 per cent of the cloves come from Netherlands Indies; shipments to America constitute about half of the islands' total exports in each case. America obtains the largest quantities of cinnamon and cloves from China and French Indo-China.

## Chief Source of Kapok

Kapok is another product drawn almost exclusively from the Indies. Imports into the United States have varied between 8,000 to nearly 14,000 tons annually, except during 1938 when the amount declined to as low as 5,400 tons. This represents approximately 88 to 96 per cent of total U. S. consumption. Kapok is a cotton-like fiber enclosed within a shell which grows on trees. Aside from its use in mattresses and pillows, the fact that it is of lighter weight than cotton makes it an essential item in the manufacture of life belts; it is also used as insulating and noise-proof material in refrigerators, motor cars and planes.

Two other products of which Netherlands Indies is the chief American supplier are sago, derived from the trunk of the sago palm, and tapioca, more comically referred to as "fish-eye pudding," which is prepared from the root of the cassava plant. The annual share of the islands in U. S. consumption of sago is 70 to 83 per cent. Annual imports of tapioca vary between 190 million to more than 400 million lbs., and practically all of this comes from the Indies. Aside from their use as food, tapioca and sago are utilized in modern industry for the sizing and finishing of textiles, particularly cotton, and in the manufacture of paste and glue. Approximately half the Netherlands Indies exports of tapioca and sago come to the United States.

## Displacing African Oil

The fact that America has turned from British West Africa to the Netherlands Indies for her supplies of palm oil is an excellent illustration of how Dutch enterprise has contributed to the development of their colonies. In 1925 less than 4 per cent of the 139.2 million lbs. of palm oil imported into the United States came from the Indies and Holland, while nearly 80 per cent came from British West Africa, Belgian Congo and the United Kingdom. In 1939 as much as 84 per cent was imported from the Indies alone, the balance coming from British West Africa and the Belgian Congo. Up until 1933 British West Africa led in world production of palm oil. During that year the United States imported for the first time a greater amount from the Indies (170 million lbs.) than from the British possession (54.9 million lbs.) Today the Indies are the leading producers of the oil. For the last five years total annual imports into the United States have ranged from $6.2 million to $15.8 million annually. Although the oil is used mainly in the manufacture of soap, it also serves as an ingredient in margarine.

There is one variety of Sumatra tobacco leaf used as cigar wrapper which is imported into the United States because of its distinct flavor. The volume of this commodity has declined considerably due to a boycott early in the thirties when it was charged that slave labor was employed in its production. That condition has been improved, although the relative value has increased, actual volume has not returned to the previous level. More than 80 per cent of total consumption in the United States of tobacco leaf for cigar wrappers comes from Netherlands Indies while a small amount comes from Cuba. In 1925 this item represented as much as 15.4 per cent of the total American imports from the islands, in 1933 about 10 per cent, and in 1939 only 3.3. per cent—a decline in value from nearly $15 million to little more than $3 million.

## Copal Production

More than half of U. S. imports of damar and copal resins come from the islands. The general use of natural resins has somewhat declined owing to the introduction of new synthetics produced from coal tar and petroleum products. The figures, however, show that while 1.6 million to 15.8 million lbs. were imported annually into the United States before 1929, as much as 18.2 million lbs. were imported in 1937 and 17.3 million lbs. in 1939. Resins are used mainly in the manufacture of paint, varnish and insulation materials. Although the first copal shipments into U. S. came from the Philippines, it was not until a few years ago that significant quantities were imported from Manila. The Philippines has gradually become a competitor of the Netherlands Indies in the copal market; 90 per cent of world production, however, is still in the Indies. The American market absorbs nearly half of the total Indies' exports of these resins.

There are several other products which do not bulk large in actual imports into the United States but which are nevertheless supplied to a large extent by the Netherlands Indies. Imports of gambier or terra japonica, a tanning material, have risen from less than half a million lbs. in 1925 to nearly 4 million lbs. in 1939, and

this figure represents approximately three fourths of total U. S. consumption of the commodity; from the Indies angle only 27 per cent of their total exports of gambier is absorbed by the American market. Citronella oil imports from the island amount to more than half of total U. S. consumption of the product. It is used primarily in the manufacture of soap and, although Ceylon also contributes substantial quantities to the imports of this country, the quality is inferior and suitable only for cheap washing soaps.

Another series of products, which in quantity and value have formed the largest items in American imports from the Indies, are, on the other hand, comparatively unimportant in total U. S. consumption.

This group includes rubber, tin, coffee and tea. It has already been pointed out that as a source of rubber, the Indies seem unimportant in comparison with British Malaya. The Indies, however, have steadily increased their share in U. S. imports of the commodity. Before 1929 the United States took 15 to 20 per cent of its rubber from the islands, and as recently as 1935 the share was only 17 per cent. By 1939 the percentage had gradually climbed to 29, while latex from the Indies amounted to slightly over 50 per cent of the total imports of this product. The rubber plantations in the Indies are to be found mainly on the island of Sumatra, and the largest part of the export is absorbed by the American market.

### Large Tin Imports

The Netherlands Indies mines supply the United States with approximately 6 to 10 per cent of America's country's imports of tin. It is shipped either directly from the islands or from the smelters in Holland, and small amounts come via Singapore and Penang. Although the share of the islands as compared with that of British Malaya is negligible, here again the Dutch stand out as the most efficient producers. The International Tin Committee has repeatedly raised export quotas since the outbreak of the European war last year. Of all countries abiding by the regulations of this committtee, Netherlands India was the only one which reached, and even surpassed, its allotted production. During 1939 the United States absorbed about 50 per cent of the total tin exports from the islands. Tin is mined on the islands of Banka, Billiton and Singkep off the Sumatra coast. The Banka mines are operated by the Dutch government which is also a large shareholder in the Billiton mines, while Singkep is privately exploited.

Imports of coffee from Netherlands India have declined considerably, from more than $5 million to approximately $0.5 million, and today represent only 2.1 per cent of total U. S. consumption of the commomity. South America is the United States chief source of coffee. Imports of tea, however, have increased. Although their share in U.S. consumption amounts to only about 27 per cent, this represents a gradual increase from less than 20 per cent in the twenties. Today the islands rank equally with Japan, China and Ceylon as a source of American imports of the product.

One more general point should be mentioned. As a market for Netherlands Indies products, America has greatly strengthened its relative position in the last few years. In 1933 the United States took approximately 12 per cent of total Indies exports; in 1938 nearly 14 per cent; and in 1939 as much as 20 per cent, ranking third as a market for Netherlands Indies produce.

## NIPPON IRON WORKS LACK METAL, CLOSE

Admitting the embargos placed against the nation were being felt already and that it was reported that many iron works had suspended operations because of lack of ferrous ore, coal and other materials, the **Tokyo Asahi** this week asked the question of what had become of the expected supplies from the huge ore resources in parts of China occupied by Japanese troops.

"Iron and petroleum especially are vitally important. The Government declares that there will be no uncertainty in securing necessary materials because of its efforts to revise the materials mobilization program and change in trade policy," the newspaper declared.

Important was the closing statement in the article that in part said:

"Before the assumption of his present post Mr. Naoki Hoshino, president of the Cabinet Planning Board, declared that even if Japan severs economic relations with Britain and America the board will be able to make good the deficiency after six months. Any policy of leaving blast furnaces idle should be changed without delay."

### U.S. Steel Exports

In Washington the American Iron and Steel Institute estimated that Japan imported half of the iron and steel scrap, amounting to around 21,500,000 tons, shipped from the United States since 1933.

Scrap exports from America during the period 1933 to 1940 totalled over five times the total shipments for the preceding 32 years.

The Japan Divers Association in Tokyo on October 19 suggested to the five leading coal and scrap iron concerns in Osaka that it should be permitted to start salvage operations in Osaka harbor to Salvage coal and iron lost in unloading operations during the past few years.

### Indian Embargo

India has ceased issuing export licenses for scrap iron and steel accoring to a report from Bangkok on October 20. The embargo, the dispatch said, was aimed chiefly against Japanese interests.

Washington refused to comment on October 17 on a report from Mexico City that the southern nation would furnish Japan with scrap metal. Mr. Cordell Hull said the report was "interesting."

A Washington news dispatch revealed that United States exports to Japan during the first eight months of 1940 were valued at US$147,497,000, approximately $12,000,000 more than during the corresponding period of 1939. Imports from Japan were valued at $91,922,000.

## Bars, And Cafes Must Close At 10 In Japan

Cafes, bars and houses of assignation must close one hour earlier beginning December 1, making 10 p.m. bed time for many pleasure seekers in Japan. An announcement from Tokyo added that brothels will be permitted to remain open until 11 p.m.

In accordance with the example set in Japan, Dairen officials announced on October 18 that entertainment places in that city would be closed on the twentieth day of each month. On that day employees of various firms were urged to spend the day "offering their services to some useful occupation."

## Suez Canal Open To Ships Of All Nations

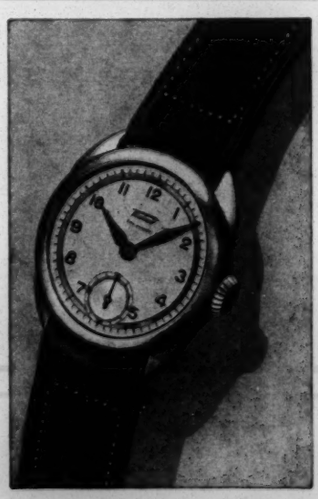
Baron Louis de Benoist, General representative of the Suez Canal Company on October 20, declared in Alexandria that the Canal was still open to all international shipping and the Company would continue to afford all the facilities to ships flying any flag.

The Suez official said that the Company was acting independent of any suggestions from Vichy and emphasized that there was no possible way for Italy and Germany to take over the administration of the Canal as reported by the Egyptian press.

## Japanese Dogs May Be Killed For Their Hides

The idea was originated in Tokyo on October 18 by the Minister of Agriculture and Forestry that all or a part of Japan's 1,000,000 dogs be killed and their hides tanned to make leather.

The plan, the minister said, would save rice and rid the nation of stray dogs, besides providing another source of desperately needed leather.

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**Mr. Tucker, manager of Electricity Services Ltd. of London writes:**

*"I wear a Tissot watch and I think its performance deserves mention. I am definitely a bad watch subject to start with, and in addition I am continually engaged in electrical work, which has had a strong magnetic effect on all watches I have worn hitherto.*

*The Tissot watch refused to be set back in any way and keeps very reliable time.*

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*Obtainable at high class jewellers and Department stores.*

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## National Spiritual Bureau Cried Down

**Because most of the letters received at the National Spiritual Mobilization Headquarters in Tokyo were of a critical nature, and others contained charges against committee members, the organization has been dissolved, a report from Tokyo on October 17 declared. The official reason for the closure was "lack of interest."**

## Paper Urges Japan To Rationalize Religion

After nearly three months of various Japanese Government moves to eliminate foreigners from the Japanese Christian Church and to bring all religions under the same roof in keeping with the "new structure", a sad note was sounded in Tokyo on October 21.

The "Nichi-Nichi" editorially declared that the emergence of a "genius" in Japanese religious circles will be necessary before the unification of the nation's various religions can be realized as advocated in keeping with the national structure.

The editorial pointed out that Shinto had 13 sects, Christians more than 20 and Buddhist sects were subdivided into 10 or more theological groups.

## Jews Buying Former I.R.C. Club Hadquarters Here

The Fourth U. S. Marine Club on Bubbling Well Road has been purchased by the Shanghai Jewish Club for $1,000,000, it was announced Saturday. The transfer was expected to be completed within the next few months.

The buyers have already made the first deposit of $50,000 to the International Recreation Club, which owns the building.

The Shanghai Jewish Club, it was reported, plans to issue shares which may be bought by members in order to collect the necessary million.


**An Australian Lady, Once Helpless With Rheumatism, Praises Dr. Williams' Pink Pills**

Whilst there is still some uncertainty as to the exact causes of rheumatism there is positive evidence that it is a malady of the blood, and treatment should therefore be directed towards improving the blood in quality and quantity.

The world-famous blood and nerve tonic Dr. Williams' Pink Pills has proved remarkably successful as a remedy for rheumatism even though the trouble may be severe and of long standing.

Mrs. J. Morrison of Delegate, N.S.W. Australia, states:—"I developed a form of rheumatism that left me very weak. For months I was helpless and bedridden. Shortly after taking Dr. Williams' Pink Pills I began to get stronger and gradually became able to get up and walk about. Within a few months I was well again. I received wonderful benefit from Dr. Williams' Pink Pills."

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My Dear

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# Japanese Dominate Central China Flour Milling Industry

BY FREDERICK FANG

Before the outbreak of hostilities in the latter part of 1937, China had a total of 123 flour mills, of which 14 were located in Shanghai. The Shanghai flour mills occupied 28.25 per cent of the total capitalization of the flour mills of the entire country and possessed 32.7 per cent of the total number of machines of all the flour mills. As to production, the fourteen mills in Shanghai turned out 115,075 bags of wheat flour daily or 39 per cent of the total production of all the flour mills.

The fourteen flour mills in Shanghai were controlled mainly by two big interests, the Fu Sing and the Fow Fung flour mills. The following table gives their capitalization and equipment in 1937:

| *Capitalization* | *Number of Mills* |
|---|---|
| $ 100,000—$ 500,000 | 9 |
| 500,000— 1,500,000 | 4 |
| 1,500,000— 3,000,000 | 1 |
| | 14 |

| *Number of Machines* | *Number of Mills* |
|---|---|
| 10— 20 | 5 |
| 20— 30 | 3 |
| 30— 40 | 2 |
| 40— 50 | 2 |
| 50— 60 | 1 |
| 90—100 | 1 |
| | 14 |

The names, capitalization, and location of these flour mills are listed below:

| *Name* | *Capital (N.C.$)* | *Machines* | *Location* |
|---|---|---|---|
| Fu Sing No. 1 | 500,000 | 15 | Chapei |
| Fu Sing No. 2 | 1,500,000 | 48 | Soochow Road |
| Fu Sing No. 3 | 300,000 | 24 | Chapei |
| Fu Sing No. 4 | 300,000 | 32 | Tongking Road |
| Fu Sing No. 7 | 1,500,000 | 49 | Tatung Road |
| Fu Sing No. 8 | 1,500,000 | 56 | Soochow Road |
| Fow Fung | 3,000,000 | 91 | Mokanshan Road Chapei Tsaochiatu |
| Yu Tung | 210,000 | 24 | Nantao |
| Hsiang Sin | | 10 | Chapei |
| Sun Ta | 500,000 | 31 | Chapei |
| Chung Hwa | | | |
| Hwa Fung | | | |

With the exception of the Fu Sing Nos. 2, 4, 7, and 8 mills, the Fow Fung Mill, the Sin Ta Mill and the Hwa Fung Mill, the other six mills located in Chapei were destroyed during the hostilities. While the Chung Hwa Flour Mill was completely destroyed during the war, the Hsiang Sin Flour Mill was pulled down by the Japanese following the withdrawal of the Chinese troops. The Fu Sing Nos. 3 and 6 mills, the Yu Tung Mill and the Sen Ta Mill were slightly damaged and are now occupied by the Japanese. Machines of the Fu Sing No. 1 Mill were removed before the outbreak of hostilities, thus suffering less, but the flour and wheat stored in the factory, valued at more than one million dollars, was lost.

## Operations Resumed

After the war, all the mills located in the foreign concessions of Shanghai resumed operations. The Fu Sing Nos. 3 and 5 mills and the Yu Tung Mill in Chapei resumed operations under Japanese management and since then have been known as the San Sin Flour Mills. It was reported that the Japan Flour Mill Company, the Mitsui and the Mitsubishi interests invested jointly $2,000,000 as working capital of these three mills.

The Fu Sing No. 1 and the Hsiang Sin Flour Mills resumed operations later under the same arrangement. The Sen Ta Flour Mill in Nantao resumed operations under Japanese management and is now known as the Tung Fu Flour Mill. The Japanese organized further a new flour mill known as the Heng Fung Flour Mill in August, 1939, in Hongkew. The detailed conditions in 1939 were:

| | *Number of Mills* | *Capital (N.C.$)* | *Machines* |
|---|---|---|---|
| Chinese flour mills: | | | |
| Resumed operations | 7 | 7,300,000 | 318 |
| Japanese flour mills: | | | |
| Newly organized | 1 | 300,000 | 10 |
| Seized from Chinese | 4 | 3,000,000 | 90 |
| British flour mills: | | | |
| Resumed operations | 2 | 140,000 | 14 |

In the early part of 1940 the Japanese interests operated nine flour mills in Shanghai and the Chinese operated also nine miles.

They were:

(1) Chinese flour Mills operating in Shanghai in 1940:

| *Name* | *Established* |
|---|---|
| Fu Sing No. 2 | 1914 |
| Fu Sing No. 4 | 1914 |
| Fu Sing No. 7 | 1919 |
| Fu Sing No. 8 | 1921 |
| Hwa Fung Mill | 1914 |
| Fow Fung Mill | 1898 |
| Fow Fung New Mill | 1929 |
| Hsiang Sen Mill | 1918 |
| Hsin Ta | 1924 |

(2) Japanese flour mills operating in Shanghai in 1940:

| *Name* | *Established* | *Name* | *Established* |
|---|---|---|---|
| San Sin No. 1 | 1926 | Fu Sing No. 6 | 1926 |
| San Sin No. 2 | 1926 | Fu Sing No. 3 | 1926 |
| San Sin No. 3 | 1926 | | |
| San Sin No. 4 | 1913 | Fu Sing No. 1 | 1913 |
| San Sin No. 5 | 1921 | Fu Sing | 1921 |
| Tung Fu Mill | 1909 | Sun Ta Mill | 1909 |
| Hwa Yu Mill No. 1 | 1908 | Chung Hwa Mill | 1908 |
| Hwa Yu No. 2 | 1927 | Hsiang Sen Mill | 1927 |

Working in full capacity, the Shanghai mills could produce 111,500 bags of wheat flour and 11,150 bags of wheat bran a day in 1939. The producing capacity of these mills were:

| *Name* | *Wheat Consumption (piculs)* | *Flour Production (bags)* | *Bran Production (piculs)* |
|---|---|---|---|
| Fu Sing No. 2 | 6,750 | 14,000 | 1,400 |
| Fu Sing No. 7 | 6,500 | 13,000 | 1,300 |
| Fu Sing No. 8 | 7,700 | 16,000 | 1,600 |
| Fow Fung No. 1 | 3,000 | 6,000 | 600 |
| Fow Fung No. 2 | 11,000 | 22,000 | 2,200 |
| Hwa Fung Mill | 4,000 | 10,000 | 1,000 |
| Sin Ta Mill | 2,000 | 4,000 | 400 |
| San Sin No. 1 | 3,500 | 5,000 | 500 |
| San Sin No. 2 | 3,000 | 6,000 | 600 |
| San Sin No. 3 | 3,500 | 7,000 | 700 |
| Tung Fu Mill | 2,750 | 5,500 | 550 |
| Others | 1,500 | 3,000 | 300 |
| Total | 55,200 | 111,500 | 11,150 |

According to the above table, Shanghai flour mills would be able to produce 40,140,000 bags of flour a year but actually only 15,000,000 bags were turned out in 1938 and an equal amount in 1939. In 1935, however, when the Shanghai mills enjoyed the best business, the total production was over 30,000,000 bags. In 1936 and 1937, they turned out only 20,000,000 bags a year. In 1940, the total production is expected to be further reduced because of the lack of supply of native wheat from Central China as a result of the strict control exercised by the Japanese authorities in the occupied areas and the lack of supply of foreign wheat as a result of the heavy slump of the value of Chinese dollar, which makes it too expensive to buy foreign wheat the difficulty of securing shipping space to transport foreign wheat to Shanghai, following the extension of the European War, also contributed.

The following table gives the prices of wheat and flour as well as the production of flour in the Chinese and Japanese mills during the first six months of 1940:

| | *Price* | | *(Production)* |
|---|---|---|---|
| | *Wheat* | *Flour* | *(bags)* |
| 1939: | | | |
| January | $ 6.00 | $ 4.90 | |
| December | 15.00 | 8.70 | 600,000 |
| 1940: | | | |
| January | 20.00 | 10.00 | 1,300,000 |
| February | 24.60 | 10.00 | 750,000 |
| March | 23.50 | 13.80 | 1,000,000 |
| April | 20.80 | 13.50 | 1,200,000 |
| May | 25.00 | 13.80 | 700,000 |
| June | 24.80 | 15.20 | 550,000 |

## Interion Mills Lost

Aside from Shanghai, Chinese flour mills in Central China have been completely controlled by Japanese interests, following the withdrawal of Chinese troops from the Central China cities. The following list gives the names of the Chinese flour mills now operated by Japanese:

Regarding the above mills, it must be pointed out that all the flour mills in Hankow removed their machines before the withdrawal of the Chinese troops, but new machines were installed by the Japanese interests. The flour mills in the occupied areas of Central China now produce about 2,000,000 bags of wheat flour as against 11,820,000 bags before the war.

According to Japanese estimates, Central China provinces produced 11,500,000 piculs of wheat this year, of which 7,500,000 piculs were produced along the Hainan Railway (formerly known as the Nanking-Shanghai Railway) area, representing a decrease of 10 per cent of the production of an average year; 1,600,000 piculs were produced along the Nanning Line, or about 80 per cent of the total production of an average year; 900,000 piculs were produced along the southern section of the Tientsin-Pukow Railway, or about 80 per cent of the total production of an average year; and 1,500,000 piculs were produced in northern

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Kiangsu, or about 80 per cent of the total production of an average year.

**Shanghai Consumption**

Consumption of wheat by the flour mills in the various producing areas is estimated to be 2,000,000 piculs a year and it is estimated that about 9,500,000 piculs is probably being sent to Shanghai. As Shanghai mills consume 10,200,000 piculs of wheat in a year, Shanghai is short of at least 700,000 to 1,000,000 piculs of wheat if 9,500,000 piculs are sent to Shanghai from the producing centers. It may be noted that in the year from April, 1939, to March, 1940, Shanghai flour mills consumed a total of 8,500,000 piculs of wheat, but only 3,500,000 piculs were imported from the wheat producing centers of the interior and the remaining 5,000,000 piculs were imported from foreign countries, prohibition by the Japanese against sending wheat to the foreign settlement of Shanghai from Hongkew. At the present time, when Japanese flour mills are purchasing 3,000 to 5,000 bags of wheat daily at the fixed price of $21 the Chinese flour mills are purchasing 300 to 500 bags at the price of $25, because the Chinese are mainly from Australia. That less wheat is being sent to Shanghai this year is obvious because of the tightening of the control of wheat export from the producing areas by the Japanese authorities, and the not allowed to buy native wheat produced in China.

| *Name* | *Former Name* | *Location* |
|---|---|---|
| Ta Ho Flour Mill | Ta Ho Flour Mill | Soochow |
| Hwa Yu Flour Mill | Chiu Fung Flour Mill | Wusih |
| Hwa Yu Flour Mill | Mow Sin Flour Mill | Wusih |
| Hwa Yu Flour Mill | Kwan Fung Flour Mill | Wusih |
| Tai Lung Flour Mill | Tai Lung Flour Mill | Wusih |
| Heng Fung Flour Mill | Heng Fung Flour Mill | Changchow |
| Chinkiang Flour Mill | Yi Chen Flour Mill | Chinkiang |
| Yu Heng Flour Mill | Li Fung Flour Mill | Pengpu |
| Yu Heng Flour Mill | Yangtse Flour Mill | Nanking |
| Yangchow Flour Mill | Min Kee Flour Mill | Yangchow |
| Hwa Yu Flour Mill | Yi Sin Flour Mill | Wuhu |
| Kiangpei Flour Mill | Fu Sing Mill | Tungchow |
| Japan Flour Mill | Sheng Sin Flour Mill | Hankow |
| Japan Flour Mill | Wu Fung Flour Mill | Hankow |
| Jih Tung Flour Mill | Fu Sing No. 5 Flour Mill | Hankow |
| Jih Tung Flour Mill | Yu Lung Flour Mill | Hankow |
| Jih Tung Flour Mill | King Lung Flour Mill | Hankow |

## Former Tokyo Envoy To U.S. Departs

Mr. Kensuke Horinouchi, retiring Japanese Ambassador to the United States, October 20 called on Mr. Cordell Hull before leaving the next day for San Francisco where he was scheduled to sail for Japan aboard the Japanese liner Asama Maru yesterday.

## Nippon Gov't Goes To Pawnshops For Gold

A news dispatch from Tokyo October 19 declared that owners of gold articles pledged in Tokyo's pawn shops will be urged to sell these articles to the Japanese Government to help the Japanese national policy of building up a gold reserve.

## Nazi Agents Reported Active In Mexico

The possibility of Nazi agents in Mexico promoting trouble in an effort to turn American eyes from the fighting in Europe was being investigated by representatives from Washington, it was reported in the American capital last week.

It was learned that the German Government has sent certain political elements in Mexico arms and planes to promote acts against the present regime.

Meanwhile the Japanese news agency *Domei* reported on October, 10 it was reliably learned that President Cardenas has been vigorously resisting persistent secret approaches from Washington "which are designed to draw Mexico into a military alliance with the United States."

On the same day reports from Washington stated that American-Mexican negotiations being carried on in strict secrecy were to provide for a United States' credit loan of $10,000,000 for the reconstruction of a railway line from Salina Cruz on the Pacific coast to Puerto in Mexico, on the Gulf of Mexico.

## Special Municipality Land Commissioner Resigns

Mr. Y. T. Van, commissioner of the Land Bureau, has handed in his resignation from the Shanghai Special Municipality in a telegram to the Nanking Government, according to reports Oct. 23.

# New Vichy Consul-General In Shanghai Arrives

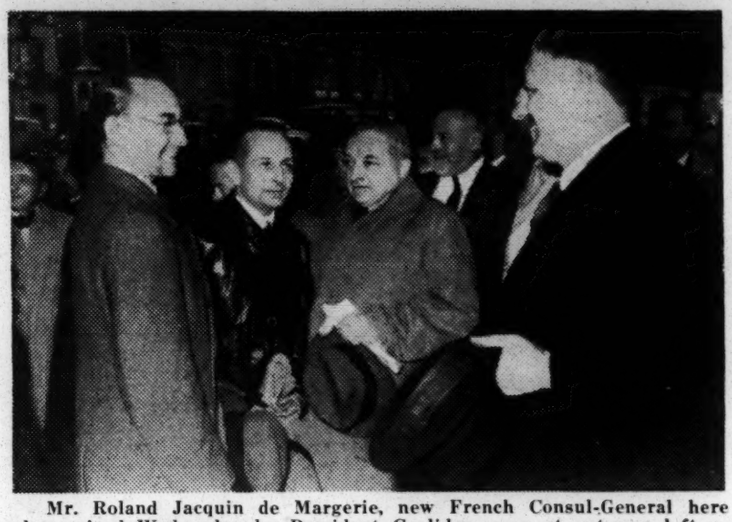
Appointed to high posts here by the Vichy Government, Roland Jacquin de Margerie, new French Consul-General, and Jean-Louis Paul-Boncour, new Counsellor to the French Embassy in China, arrived here on board the President Coolidge on Wednesday.

Diplomatic circles here were understood to be placing great significance with the post of Chief of the Reynaud Cabinet at the Quai d'Orsay.

M. de Margerie, who arrived here with his wife and three children, was appointed Consul-General to Shanghai in June, 1940.

M. Paul-Boncour, the new Counsellor to the French Embassy in China, is the nephew of the former French Premier,

New Vichy Consul-General Here



**Mr. Roland Jacquin de Margerie, new French Consul-General here who arrived Wednesday by President Coolidge, seen at extreme left as he was met by prominent local French officials in the Customs shed. Left to right, Mr. M. Duval, in charge of the French Consulate-General here until Wednesday, Lt.-Col. Yvon, French military attache to China, President d'Hooghe de la Gauguerie (behind), interim director of the French Municipal Council, and, at extreme right, Mr. Jean Saillens, commercial counsellor of the Embassy.—World News photo, courtesy China Press.**

on their arrival, says the **China Press.** It was not known when the two officials would pay the customary courtesy calls on members of the Diplomatic Corps.

Born on May 6, 1899, M. de Margerie, the new Consul-General, has had a long diplomatic career in many countries in Europe. In 1921 he was appointed attache to the French Embassy in Brussels, and next year was transferred to Berlin where he served as Embassy Secretary under his father, who was then French Ambassador to Germany, and under Andre Francois-Poncet.

### High Cabinet Post

In August, 1933, he was appointed First Secretary to the French Embassy in London, and, in 1939, counsellor to the same Embassy. M. de Margerie asked to be mobilized early in September, 1939, and was recalled to the Foreign Ministry by Paul Reynaud, then Foreign Minister. He was entrusted M. Joseph Paul-Boncour. He was born on July 30, 1898.

### At Disarmament Talks

Appointed Embassy Attache on August 18, 1922, and Embassy Secretary in Washington in 1923, he was entrusted with various missions at the League of Nations in Geneva between 1923 and 1934.

At one time he was Secretary-General of the French delegation to the Disarmament Conference in February 1932.

Chief of Staff of the Minister of Foreign Affairs in February 1932 and again in December of the same year, he was appointed Secretary-General to the French delegation at the 15th Assembly of theh League of Nationals on August 31, 1934.

In 1935, M. Jean-Louis Paul-Boncour was appointed First Secretary to the French Legation in Bucharest.

He was recently Press Counsellor to the French Embassy in Washington, and took an active part in the creaation of the Ministry of Information.

## Toy Matinee Sponsored By Rotarians Here

A Toy Matinee sponsored by the Rotary Club will be held at the Nanking Theater on Sunday, October 27 in aid of a Christmas toy fund for poor children. The program will include several Walt Disney's cartoons and other shorts for adults as well as children. Entrance fee will be one or more toys used or unused. Another Toy Matinee will be held at the Metropol Theater the following Sunday.

Toy Matinees have been held for the past nine years, and have been the main sources of income for the distribution of toys to thousands of children on Christmas. Last year seven to ten thousand were distributed to children in institutions, regardless of nationality. To several thousands of these children these toys form the only Christmas gifts they receive.

## Passive Resister Jailed As Dominions Foregather

Vinoba Bhave, nominated by Mahatma Gandhi, at the first Satyagraha (more or less a martyr to the Indian Congress cause)), was arrested and placed under arrest in a small village near Wardha on October 20. Bhave, an unknown among Indian agitators, was selected by the aged leader for his evident sincerity and because he was of the people from whom Gandhi hopes eventually to draw the nucleus of his ideal Independent Indian government.

The passive resistance campaign began two weeks ago (Review, Oct. 19, 1940) following the refusal of the British Viceroy to grant permission to Mr. Gandhi's disciples to preach passivity and pacifism in accordance with the declared creed of the Indian Congress, creed had been accepted previously by the British Government.

While the British authorities have so far taken a tolerant view of Mr. Gandhi's fortnight-old campaign, observers in India yesterday believed that lack of a definite agreement between the Government and Congress might result in serious embarrassment to the British "East of the Suez" meeting, due to open at New Delhi yesterday. At this meeting delegates of all British possessions. Colnies and Dominions will exchange data on their countries' resources, how they best may be directed towards Britain's war effort.

Whether in anticipation of a refusal or not, no delegate of the All-India Congress was invited, to attend the conference. None would have accepted such an invitation, declared Indian leaders, recalling the refusal of Congress to accept Britain's offer of participation in a War Efforts Committee in return from a promise of "consider" dominion **status** at the end of the European war.

## Bermuda Authorities Hold Valuable French Paintings

The British authorities at Bermuda, on October 10, seized a shipment of 500 French paintings and drawings, said to be worth several hundred thousand pounds. The shipment had been dispatched from Lisbon and was destined for the United States. The authorities at Bermuda claimed that the alleged owner of the pictures was a German and said they had information that the paintings had been seized in German-occupied regions of France. The Germans hoped, according to the report, to sell them in the United States in order to obtain exchange credits. The paintings included works by Renoir, Cezanne, Gauguin, Degas, Monet, Manet and Picasso.

## Japanese Ask Real Bombs In Defense Maneuvers

Patriotic item from Japan: Thirty residents of Chokai in Tsoabori 4-chome Nishi-ku, Osaka, petitioned the Army authorities of the Central Defense Headquarters to drop real airbombs instead of dummy bombs. The signers of the petition agreed to pay for all damages caused by the real bombs. It was reported that in the last anti-air-raid maneuvers in the district 115 persons from 21 houses in that Cho, including two Indian firms, had donated Yen 10,565 toward the purchase of China Affair bonds. The G. H. Q., in reply to the petition said they might comply with the request, had it come from a rural district, but the Osaka area where the petitioners resided was too congested to risk real bombs.

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# Loans Secured on Wood Oil, Tin, Tungsten Draw China Close to U.S.

BY C. Y. W. MENG

A NEW era in Sino-American relations has been ushered in with a series of credit loans extended by the United States Government to China and secured not on Chinese customs and salt revenue as in the past, but on China's principal exports.

First of these loans was the U.S.$25,000,000 credit of 1938, secured on wood oil exports; second, the U.S.$20,000,000 credit of 1939 secured on exports of tin, and now the U.S.$25,000,000 credit secured on tungsten exports.

According to the statistics of the Ministry of Finance, the annual production of wood or tung oil in China is about 70,000 tons, distributed as follows: 28,000 tons in Szechuen Province; 12,000 in Kwangsi Province; 10,000 tons in western Hunan Province and in the Chekiang-Anhwei-Kiangsi border regions; 12,000 tons in western and northern Hupeh, Kweichow and Shensi Provinces; and 8,000 tons in Kwangtung and Yunnan Provinces. The chief production centers are under complete Chinese control.

During 1939, more than 40,000 tons of wood oil were exported, principally to the United States, for the purpose of paying off the U.S.-$25,000,000 Credit Loan to China, and partly for meeting the needs of America.

Early in October the Chinese Government appropriated $1,000,000 for the promotion of wood oil production in Szechuen, Hupeh, Hunan and Kwangsi. In Szechuen a Wood Oil Enterprise Committee has been inaugurated and has already drawn up a five-year plan to increase production in the province. During that period 18,000,000 Tung saplings will be planted and it is expected they will double the present output.

## Tin from Yunnan

Yunnan Province—the "Land Lying South of Clouds"—now tops the nation in the production of tin. Two modern and 200 native companies are mining tin reserves in southern Yunnan, producing 9,000 tons each year, which represent 90 per cent of the national tin production. The metallic content of Yunnan tin ores differs from 0.1 to 80 per cent, and may be concentrated to 50-90 per cent after washing. A smelting plant established in 1932 produces 99.2-99.4 per cent pure tin ingots. They are exported to Hongkong, London and New York, partly to pay off the U.S.$20,000,000 Credit Loan to China, and partly to meet commercial needs.

Although a tungsten producing nation itself, the United States consumes more than it can produce. The deficit is made up by importing from other tungsten producing nations, especially China. About 70 per cent of its 1937 import of 4,700 tons of tungsten, came from China! With its rearmament program in full swing, the United States will demand still more tungsten from China.

China is known as the first producer of tungsten in the world. It exported 13,730 tons, valued at $50,492,087 in 1938; 11,780 tons worth $44,674,912 in 1939; and 3,080 tons worth $12,731,765 in the first seven months of 1940. The drop in export after 1939 has been due to difficulties in transportation which, according to the National Resources Commission, will be overcome by means specially devised to evade the Japanese blockade.

## Tungsten in Kiangsi

Chief tungsten deposits are found in Kiangsi, Hunan, Kwangtung, Kwangsi and Yunnan. The Kiangsi tungsten reserve, according to a recent revised estimate, is 4,000,000 tons in 17 counties in southern Kiangsi. The annual production in that province is estimated at 5,000 tons. The ore is mostly wolframite with a tungsten content of 22 to 72 per cent, accompanied by tin, molybdenum, copper, or arsenic minerals. After washing and dressing, the content is generally concentrated to 62—65 per cent before exporting.

For the scientific exploitation of Kiangsi tungsten, the National Resources Commission established a tungsten mining administration in southern Kiangsi in 1937. A plant capable of producing annually 2,000 tons of ferro-tungsten, with tungsten content of more than 80 per cent, was established at Kian, but later removed for military reasons.

Kwangtung produces another 4,000 tons of tungsten each year from its northern counties. The provincial government controls its transportation and marketing.

Central Kwangsi has a tungsten reserve of about 900,000 tons. It produces about 2,500 tons of ore each year. The province's export of tungsten in the first half of 1939 was 1,150 tons worth $3,185,407.

Hunan's tungsten deposits are found on the Hunnan-Kiangsi-Kwangtung border. The province produce about 1,200 tons of tungsten a year. The provincial reconstruction bureau has recently discovered a third mine besides the existing two at Jucheng and Chenghsian and it is expected that the production may be increased by the end of the year.

Yunnan's tungsten production has a comparatively short history, for the first prospecting was done in 1935. The province produces about 1,000 tons a year in its tin district. The metallic content of Yunnan ore varies from two to ten per cent. The tungsten is marketed after concentration to 65 per cent.

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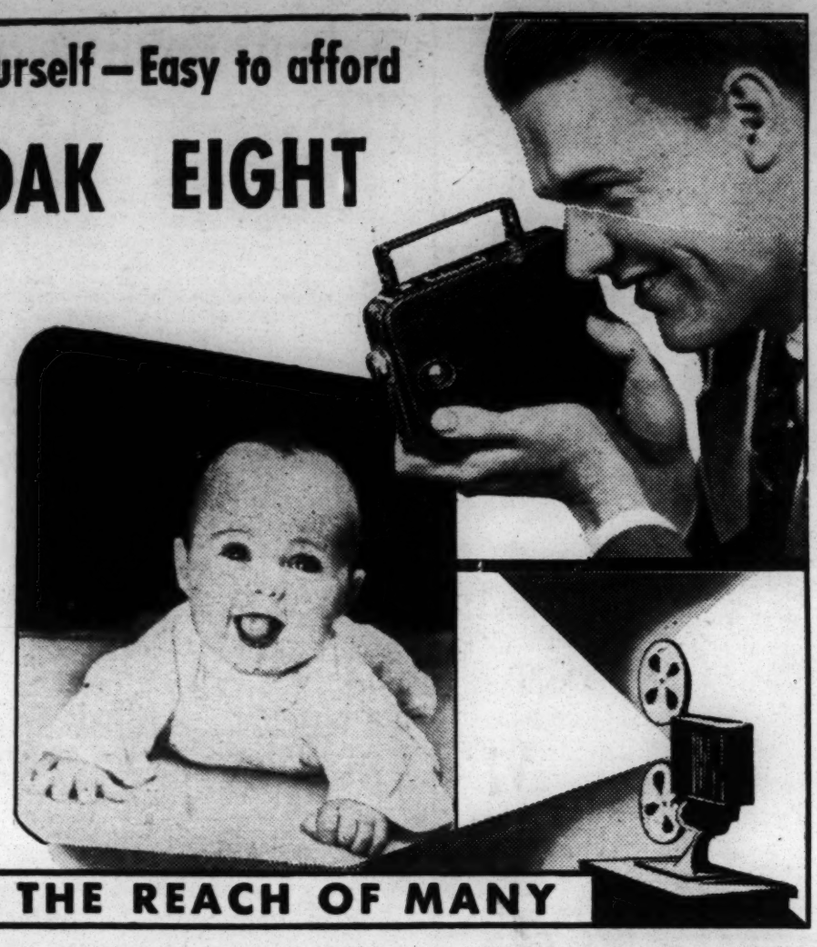

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# Bleak Winter Faces City's Homeless As Cost Of Living Hits New Record

Poverty-stricken masses in Shanghai will face misery unparalleled in the history of the city unless drastic steps are taken at the earliest possible moment, officials of the Salvation Army predicted last week.

Winter with its cold winds, damp weather, moved close last week as the cost of living mounted, unemployment increased, and more refugees were rendered homeless.

An unpleasant picture presented itself as officials pointed out that of the 33 refugee camps last winter, only two would be operating in Shanghai during the cold months this year.

Recent closing down of cotton and other mills and factories have thrown thousands of Chinese out of work. These masses of people joined the huge army of men already on the unemployment list. Officials predicted newspapers would again carry reports of 500 persons being frozen to death in the streets of Shanghai in one night.

### 16,000 War Refugees

It was estimated that there were still some 16,000 Chinese war refugees in the foreign areas in Shanghai who would have to depend on philanthropy for an indefinite period.

Reports appearing in several leaing Chinese dailies in Shanghai expressed anxiety over the rumored impending increase of the various taxes being considered by the S.M.C.

The only bright spot in the picture of a Black Winter was the report that approximately 200,000 bags of Saigon rice were scheduled to arrive in Shanghai from Indo-China before the end of the month.

The rice situation in Nanking and Hangchow as well as Shanghai continued to be acute as prices were nailed by profiteers and speculators at the highest mark in the history of China.

In Nanking the government was attempting to establish a foreign rice public sale committee. In Hangchow a rice body has been holding sessions for some time seeking a way out.

### Children Suffer

Rising commodity prices are causing an increasing strain on the financial resources of the National Refugee Children's Association which is caring for 20,000 "warphans" in a chain of 49 orphanages in different parts of the country, according to its Columbia-trained general secretary, Miss Chen Chi-yi, in Chungking.

Food alone costs three times as much as 18 months ago. In May, 1939, Miss Chen said, it cost $5 to feed one refugee child for a month. Today, with the price of rice skyrocketing, it requires $15 to fill a young stomach, Thus, the monthly food bill totals $300,000.

The winter clothing and warm blankets this year will cost $84 a set, which is more than double last year's figure. With no increase in sight of the monthly subsidy of $60,000 from the Government, the Association has to depend more than ever on contributions from people both at home and abroad, Miss Chen said.

### Association's Fine Work

Since the establishment of the association in March, 1938, altogether 25,000 refugee children have been taken into "homes" of the association. So far, over 1,000 of them have been reclaimed by their relatives; another 1,000 sent to middle schools, while between 600 and 700 others have been placed in various factories and workshops for apprenticeship.

The Association reserves to itself the right to withdraw these youngsters whenever the firms concerned fail to give the children some form of education along with the learning of trades.

Through more prompt and better medical attention, the mortality rate in the orphanages has been reduced from a couple of hundred last year to 37 this year.

In each of the 49 orphanages, Miss Chen said, there is at least one trained nurse. In some of the larger "homes" there are resident doctors as well.

## 50,000 To Take Part In Big Meiji Demonstration

More than 50,000 representatives of various Japanese men's and women's associations will participate in a mass demonstration to be held at the Meiji Shrine in Tokyo on November 12. The demonstrations are being planned in commemoration of the 2,600 anniversary of the founding of the Japanese Empire.

Several other large scale celebrations will be held in Tokyo on that date, including one by the government and foreign diplomats.

The Meiji Shrine festivities will open at 9 o'clock in the morning, when a torch carried by runners from the Kashiwara Shrine is scheduled to arrive.

Representatives of the Young Men's Association will parade at the Plaza in front of the Imperial Palace, where they will pay their respects to the Emperor. The festival of "Meiji-Setsu," birthday anniversary of Emperor Meiji, will be observed on November 3.

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# Lecture Series Heralds The New "Japanese Type Of Religion"

The "Japanese type of religion" based on the widely heralded new national structure was started in Japan this week when on Wednesday the first of a series of five lectures were started in Tokyo and Tyoto to explain to the people what their new religion was and how to get it.

On Wednesday morning 600 representatives of the Shinto, Buddhist and Christian religious gathered in Tokyo for the first glimpse of what the progam for worship would be.

The September 9 issue of **Time** magazine devoted the entire religion section to the situation in Japan.

"Christianity's most serious crisis since Commodore Perry in 1853 opened Japan to missionaries and traders this week faced the Church in Japan—a crisis so serious that U.S. missionaries may be driven from Japan and Japanese churches slump for want of foreign funds," stated **Time.**

"The Church found itself at odds with Caesar. Like many an unmilitant democracy, Japanese Christians of late years had to follow the easy course of appeasement, tried at once to conciliate Japan's rulers and still preserve the spiritual and temporal gains they had made in three generations of missionary work.

## Far Reaching Demands

"Japan's New Order, like many another autocracy found its appetite merely whetted by concession, and asked for more. Far-reaching were last week's (September 9) demands:

"1.—Withdrawal of all foreign financial support and missionaries from Japan.

"2.—Replacement of all foreign missionary executives by Japanese Christians (whose ears the Government can pin back without causing an international rumpus).

"3.—An amalgamation of all the protestant sects in the Japanese Christian Church.

"Since the arrival of Commodore Perry in 1853 Americans have spent more than $100,000,000 for missions in Japan and sent some $2,500,000 to Japan and Korea in 1939.

"The Japanese Constitution guarantees religious freedom, but the Diet last year passed a Religious Bodies Law. This placed Japan's 350,000 Christians on an equal footing with its 41,000,000 Buddhists and 16,000,0000 Shintoists, but all religion under the supervision of the Education Department, providing for the suppression of any sect which deviated from Japanese national policy.

## Obeisance Made

"In Korea Presbyterians have closed their schools rather than permit pupils to take part in Shrine Shinto. But elsewhere in the Japanese Empire both Catholics and Protestants, with the sanction of their home mission boards have paid obeisance at the shrines—thereby, according to many strict believers, taking the first step in apostasy. Early Christians chose martyrdom rather than do the same thing, make a token obeisance to the deified emperor of Rome. Thus far the Japanese Christanity has shown little inclination toward martyrdom in either the early Christian or hara-kiri tradition.

In Shanghai on October 12 a message was received from the General Convention of the Protestant Episcopal Church in the United States being held in Kansas City congratulating the Chinese People "on the fortitude and valor which they have displayed in the present world crisis and their loyalty to the Christian faith."

On October 12 the convention moved to continue missionary work in Japan and China despite the threatened curtailment decree.

At the Vatican City on October 20 it was announced that General Chiang Kai-shek had proposed to the Pope the establishment of diplomatic relations between Chungking and the Holy See.

Bishop James E. Walsh, Superior General of the Catholic Foreign Mission Society, in New York, announced on October 20 that 1,300 Catholic missionaries in the Far East would remain at their posts despite the State Department's advice to evacuate.

## Mr. Alex Henderson Dies During Golf Title Play

Mr. Alex Henderson, of 523 Avenue Haig, died at about 10 a.m. Sunday when he suffered a stroke after driving off the third tee in the first round of the Chinese Open Golf Championship which was being played at the Seekingjao course.

Mr. Henderson, 43, owner of Henderson and Company, firm of importers and exporters and long-time member of the Shanghai Golf Club, died immediately. He captained the club team for some years.

## Japanese Hold Ford Men On Smuggling Charges

A bill of indictment will be brought against Frank C. Thomas, British citizen and Rudolf Boller. Swiss citizen, on charges of violating the exchange control law and smuggling, it was announced in Yokohama on October 21.

Mr. Thomas, superintendent of the Ford Motor Company of Japan, and Mr. Boller, chief clerk in the same company, were accused of engaging in smuggling expensive cigars, cigarettes and cameras into Japan, according to officials of the Foreign Affairs Section of the Local Prefectural Government.

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## British And Japanese "Exchange" Steamers

British and Japanese authorities each released ships the property of the other, this month. Two British vessels, the Kongso and Jessie Moller, were released on Oct. 13 by Japanese naval officials after representations for their release had been made on several occasions.

At Hamilton, Burmuda on Oct. 10 the Japanese liner Hakozaki Maru was permitted to proceed to New York after a rigid examination was conducted by British authorities at the Burmuda capital. The ship was held three days by British naval authorities.

Japanese authorities in Shanghai announced that the Kobe Maru is scheduled to arrive in Shanghai on her maiden voyage Nov. 1. The ship will be placed on the Shanghai-Nagasaki route.

Authorities in Lisbon announced that the Huruni Maru, which arrived Oct. 9 en route to the Far East, had cancelled all passages for foreigners to take care of Japanese refugees returning to their native land.

Constituting partial resumption of French mail service in the Far East, the Messageries Maritimes Liner d'Artagnan was to sail from Manila for Shanghai on Oct. 11 it was announced in Manila.

## Japan To Subsidize Iron Alloy Output

With a view to encouraging the manufacture of ferromanganese alloys from low-grade ores, the Japanese Ministry of Commerce and Industry has decided to grant subsidies totalling Yen 200,000 to the manufacturers of this product, stated a *Havas* message from Tokyo on October 13.

All manufacturers of ferromanganese alloys will be qualified for these subsidies provided that their alloys contain between 60 and 80 per cent manganese.


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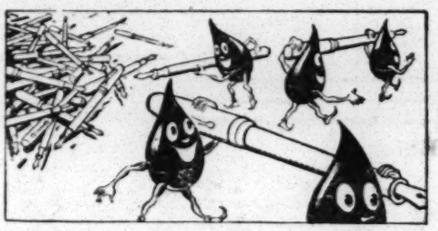

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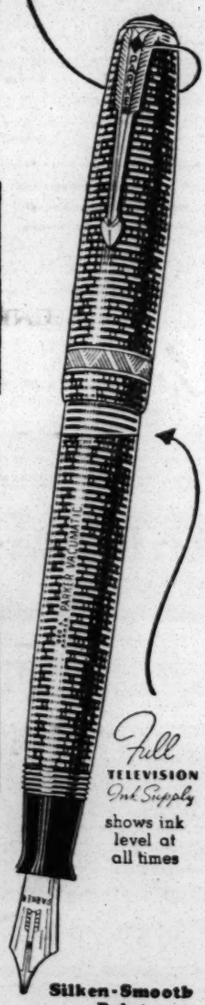

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# Puppet Government Insists On Fu's Funeral Passing Through City

The latest crime wave that has steadily surged through the Shanghai area since the assassination of Mayor Fu Siao-en two weeks ago continued unabated during the past seven days highlighted by a $200,000 robbery at the Sea Captain's Shop October 17.

The situation threatened to become further involved when the Japanese military authorities backed up the Special City Government of Greater Shanghai in its demands that the funeral cortege of the late Mayor Fu be permitted to pass through the Settlement, against the Council's warning that it could not muster sufficient police to ensure safe passage of the procession.

On Tuesday this week the "Tairiko Shimpo" opened an attack against the S.M.C. for opposing the passage of the funeral cortege through the Settlement. The attack was a case of wrong anticipation, S.M.C. officials explained, because they were awaiting an official application before considering the project.

The Japanese newspaper said despite the "strenuous opposition" of the S.M.C. the City Government was determined to route the funeral procession through the Settlement.

### Sea Captain's Shop Robbed

Seven armed Japanese and Chinese entered the palatial apartment of Captain and Mrs. W. Tornroth, owners of the Sea Captain's Shop, early in the evening last Thursday and tied the couple up along with Mrs. K. Harrison, another American. The intruders then scooped up between $200,000 and $600,000 worth of valuable jewelry.

The robbers made their escape down the main stairway from the third floor residence at 119 Nanking Road at around 8.50 p.m. after ransacking the shop and apartment for nearly 35 minutes.

Captain Tornroth was tied to a chair by the robbers, who held a gun to his head and demanded $100,000 for his life. The man did not pull the trigar when the farmer Sea Captain repeatedly explained he did not have that much money in the place.

The two women were tied up back-to-back. Police were notified of the robbery only after Captain Tornroth had worked himself free and phoned the police station several minutes after the bandits left.

Last Tuesday Mrs. Tornroth lay in a critical condition from nervous shock and a fall she suffered while being tied up in her apartment by the robbers. It was believed the couple who have made their home in Shanghai for some time, would leave for America as soon as Mrs. Tornroth is able to travel.

### Roads Blockaded

A blockade thrown up Sunday in the area north of Yu Yuen Road, in which the Japanese gendarme Corporal Sato, was fatally wounded on October 18, was lifted approximately 24 hours later. Hundreds of persons residing in the area were cut off from food and other supplies including milk and bread, for the 24 hours.

Squads of Japanese reinforced the blockade stations refusing passage through to all but foreigners. Insult to the Chinese residents was adder to injury when a party of Japanese arrived and entered the restricted area, where they "sold" Japanese and Nanking Government flags to all the Chinese in the vicinity, issuing special orders to display the flags in prominent places at the front of their homes.

The area immediately turned from the desolate scene of a crime to one of gaiety as the flags fluttered in the wind.

Searching parties were stationed at entrances into the French Concession from Nantao as "extra precautionary measures."

On Tuesday two Chinese constables of the Shanghai Municipal Police were robbed of their service pistols while on duty in front of 408 Edinburgh Road when four Chinese stole up behind them and Jabbed guns into their back demanding they hand over their arms.

### Widler Still at Large

For the second time this week the S.M.P., approached by Japanese military authorities, who produced before Inspector G. J. Bennett documents allegedly proving that the removal of $2,000,000 worth of copper from the godown of the of the Commercial and Strage Company was carried out for political reasons on the responsibility of the Japanese authorities.

The documents declared that neither Elly Widley nor his alleged aide, Wilhelm Bender, bore the responsibility for the action. Bender is being held by S.M.P. authorities. Widler has escaped arrest since warrant was made out against him three weeks ago.

**FU FUNERAL SERVICES TO HOLD OCTOBER 31**

**Funeral services for the late Mayor Fu Siao-en, will be held at the auditorium of the Shanghai Municipal Government in Kiangwan on October 31 from 8 a.m. until 4 p.m. it was learned yesterday.**

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# Soviet Seizure Of Documents Arouses Heated Controversy Among Esthonian Community; Miller's Protest Fruitless

While speculation was rife in London as to whether Sir Stafford Cripps, the British Ambassador to Moscow, had urged his Government to recognize the Soviet incorporation of the Baltic states and whether Downing Street would act on his advice, repercussions of the Russian "conquest" of the Baltics were felt in Shanghai on Friday last, when members of a special branch of police attached to the Chinese courts seized archives in the Esthonian Consulate.

The seizure was carried out by a party under Sergeant F. W. Bader, who was armed with a warrant issued by the First Special District Court and was accompanied by Soviet officials. They entered the Esthonian consular premises at Apartment 2, 203 Seymour Road and removed a file cabinet over strong protests by Mr. V. Miller, the Consulate secretary. Mr. Miller was left with the keys of the file and a receipt stating that the documents would be kept in the custody of West Hongkew Police station until further notice.

**ESTHONIAN CONSULATE NOT RECOGNIZED BY CHUNGKING**

**While Alexander Lohmus, head of the former Estonian Consulate-General in Harbin, hurried here to confront S.M.P., Soviet and court officials on the removal of archives from the local former Esthonian Consulate, a representative of the First Special District Court revealed that his official rank is no longer recognized by the Chinese National Government.**

**The local Chinese Courts, the representative told The China Press, for more than a month have been in receipt of written instructions from the Ministry of Foreign Affairs at Chungking to withdraw recognition from the former Esthonian Consulate.**

The police action let loose a storm of controversy not only among Esthonian residents in Shanghai but also among Latvians and Lithuanians here. Miller waxed wrath in public statements and declared that the "robbery" of the documents in the first of such raids ever carried out by the S.M.P. was illegal. Serge Budkevitch, of the Soviet Embassy at Tokyo, he claimed, was sent to Shanghai for the purpose of committing "this latest attempt of the Soviet Government to take over the local Esthonian Consulate, and of the local Esthonian community of 142, 98 per cent wanted nothing to do with the Soviets."

## Young Soviets Glad

Inquiries by the **China Weekly Review** revealed that while few had taken out Soviet papers there were a lot more comrades among his fellow-countrymen than he knew. In a cross-section of the Esthonian community interviewed, it was discovered that the younger members of the community (18 years to 22) about 90 per cent had already welcomed Soviet incorporation of a homeland which in some cases they had never seen. They hotly challenged Mr. Miller's statement. In the 22-30 age group about 55 per cent said they were willing to accept allegiance to the hammer and sickle; of those between 30 and 40 about one third were satisfied with the new order, about one third against and the remaining third simply disinterested. Above the age of 40 there were more to be found of Miller's opinion; as with the local "white" Russian community, it was noticed, the older these exiles, emigres or migrants, the more they cling to the old order. Opinion in similar age groups agreed with this analysis among the Latvians and Lithuanians.

Still breathing fire after the warrant had been served, Miller telephoned Consular Body Secretary E. A. Long, who replied that as the warrant for the seizure of the documents had been issued by the Chinese Court, the Consular Body could do nothing about it. Unabashed, Miller telephoned Senior Consul P. Scheel, of Denmark. Consul-General Scheel was having tiffin when the call was put through, and, commented Miller, "he wouldn't be disturbed. So what could we do?"

## Recognition Claimed

As grounds for his protest Mr. Miller claimed Chungking still recognized Esthonia, the incorporation of which was responsible for the local honorary Esthonian Consul, Pavel Rumberg, being taken ill and sent to hospital. In the absence of his senior, Miller on Saturday filed a protest with the First Special District Court demanding the return of the documents, but informed authoritative sources said the seizure was perfectly legal, and dismissed Miller's charges of "robbery" as childish and ridiculous. At the same time it was pointed out that the rank of Consular Secretary claimed by Miller was absurd; that he was a self-appointed "official."

Filing his protest at the First District Court, Miller declared that the warrant for the seizure of the documents had been obtained by misrepresentation, that the applicants told the court important and valuable documents had been abandoned by the Esthonian authorities here at the incorporation of their country into the Soviet, and their seizure was necessary to prevent their misappropriation. The court made no decision.

Confronted with a statement by Major Bourne, S.M.P. Commissioner, that the seizure of the documents had been carried out by the Judicial Police, and had nothing to do with the S.M.P., Mr. Miller complained both the S.M.C. and the Consular Body were "passing the buck" on the case.

Declaring that the Esthonian Consulate remained a member of the Consular Body, other members of which had acknowledged Mr. Lohmus, Esthonian Consul in Harbin, as successor to stricken Mr. Lumberg, Mr. Miller stated Monday: "The case is far from finished. In fact it is only beginning."

Reports were current during the week that a group of Soviet experts had been dispatched by Moscow to take over the activities of Exporthlieb, and to make way for the newcomers, three former employees had been dismissed. Only two of the original staff remained on the firm's books pending the arrival of the Moscow experts, it was reported. Orders for the changes were stated to have been despatched from Exporthlieb's Chungking headquarters.


*The*

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# U.S. Nationals Protest Exhorbitant Fares Charged on Evacuation Ships

While four great American liners were sailing or preparing to leave on a dash to ports in the Far East to evacuate American nationals, an announcement of the cost of the "trip home" brought a round of protests from American circles in Shanghai and other parts of the Orient.

Early this week committees of the American Association and American Chamber of Commerce met to discuss the problem. They decided on a joint message to Washington in protest of the raised fares.

The minimum passenger fares on the four evacuation ships were quoted as nearly twice as high as those charged for the regular runs of such liners as the President Taft and President Cleveland. A cot in the saloon of one of the ships would cost US$345, it was announced Monday.

Indignation meetings were held in various American circles as a result of the announcement of the price of evacuation tickets. It was pointed out that not only was it unfair to raise the cost of a ticket to America but many wives and children seeking passage to safety were not in a position to pay the exhorbitant price even if their lives depended on it.

## Liners Leave U.S.

Meanwhile the United States liner Washington carrying 2,000 extra cots left New York October 20 for the Far East. The Monterey is scheduled to arrive in Shanghai November 1, while the Mariposa is scheduled to reach Shanghai around November 9. The fourth ship to take part in the State Department's evacuation plan is the Manhattan. The schedule for this boat has not been announced.

Although no official London orders have been received in Shanghai requesting the British Embassy and Consulates in China to suggest to British nationals to evacuate, those seeking advice on the subject have been told to make plans to leave China if they have no special reason to remain.

A dispatch from Tokyo declared that British subjects there had been advised to leave Japan wherever it is possible.

British authorities in Shanghai in a formal statement to the press on Tuesday said that while no instructions for general evacuation were being given British subjects in occupied China for the present, inquirers were being informed that if they had no special reason for remaining they should consider the advisability of leaving.

## 4,000 Applications

The continuous stream of applications for evacuation facilities flooding the Shanghai offices of the American President Lines reached close to the 4,000 mark early this week.

Those seeking passage to America were mostly wives and children of businessmen in the Far East. Most of the missionaries were planning to remain at their posts until a time when evacuation was extremely necessary.

The latest request for American citizens to abandon the Far East came Tuesday when it was reported in Manila that wives and children of United States service men had been ordered to return to America and that the order included those persons now residing in the Philippines.

American circles along the China coast and in various cities in Japan, Korea and Manchukuo took this as an added warning to the State Department's hint to leave the Orient while the leaving was good.

With applications for evacuation far above the cabin and cot space aboard the four American emergency ships and a general rush for passage to America expected around the first of the year, the American President Line was preparing to put as many of their ships as possible in a position to relieve the congested situation.

## P.U.M.C. Reorganized

In Peiping around 300 Americans responded to the State Department's suggestion to evacuate China. The majority, however, adopted the wait and see policy.

As a result of the American Government's advice it was understood that the Peiping Medical College Hospital will be reorganized. Professors and staff members of the school and hospital were planning to return to American.

A movement for the retrocession of foreign privileges was started in Kulangsu, International Settlement of Amoy as a result of the American evacuation.

On October 17 the National City Bank branch office in Tientsin published a notice in newspapers denying reports the bank would soon be closed as a result of the evacuation of Americans from the Far East.

In Peiping depositors were withdrawing money from the local branch of the National City Bank of New York. Their action was announced as a result of the present tense situation in the Far East.

## Japanese Liner Stopped

The long arms of Washington reached out to Seattle on October 19 when customs inspectors boarded the Japanese liner, Hie Maru, and seized an undisclosed number of passports from passengers, resulting in 10 Americans on the ship abandoning plans to go to the Orient.

No details of the incident were revealed, nor did the inspectors explain their action.

In Nagoya, well-known industrial section near Osaka, the United States Consulate was closed on October 20—because there were no more Americans living in the vicinity.

From nearby Tokyo, Mr. Ettores Real, Nicaraguan Consul-General denied a report October 21 that he was being recalled and that his successor would not be appointed.

The Navy Department in Washington on October 22 announced that there was nothing unusual in the report that the United States Navy is storing submarine parts in Hongkong.

The department officials said that parts such as submarine intake valves have been kept in Hongkong by the United States Navy for many years.

It was announced that parts sometimes were shipped to Hongkong instead of Manila because they could be picked up there more quickly by American submarines and warships.

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## Finland Agrees To Disarm Aaland Is

An agreement to demilitarize the Aaland Islands was reached in Moscow on October 11 and signed by V. Molotov, the Peoples' Commissar of Foreign Affairs, and Mr. Paasikivi, Finland's ambassador to Russia.

# Burma Road Bombed, Grim Battles Raging in Chekiang and Kiangsi

Only a few hours after its reopening on the sxpiration of the Tokyo-Craigie agreement, which brought its closure for three months, the Burma Road, Free China's vital supply line with the outside world, was heavily bombed by 37 Japanese aircraft operating from new bases in Indo-China on the early morning of October 18. The Road was again attacked by the Japanese planes on October 20. In the course of the raid, Tokyo official reports claimed to have successfully bombed and machine-gunned a number of Chinese supply trucks and key bridges along the Road.

In reply was Generalissimo Chiang Kai-shek's "strong determination to keep open the road at all costs." He was reported by Reuter to have already taken extraordinary precautions against Japanese air attacks. Meanwhile, Mr. Tsiang Ting-fu, director of the Political Affairs Bureau of the Chinese Cabinet, declared that "the Burma Road will stand for ever not only as a physical link but as a spiritual bond between democratic countries."

Besides bombing the Burma Road, Japanese planes were also reported to have bombed the northwestern and central districts of Kunming, on October 18, damaging the English Methodist Church and the French Catholic Mission School. Another squadron of Japanese planes attempted to bomb the Chinese munitions factory at Kokiu in southwestern Yunnan on October 20, but little damage was done. Chungking was also attacked by the Japanese planes on October 17, and the business agency of the Canadian mission, situated in the downtown area, was hit by bombs, Havas reported.

## Guerillas Active

Fighting in Central Chekiang and along the Tienmonshan (mountain) region, border of Chekiang and Anhwei province, remained the Center of the guerilla warfare the whole week. This region, according to an editorial of the **Chinese American Daily News**, was chosen by the Japanese as the main target of their long boasted "autumn offensive". According to an early **Sin Wen Pao** report, revealing that thirty thousand Japanese troops which garrisoned the Nanking-Shanghai-Hangchow area have been withdrawn to an unknown destination, and a later report of **Shun Pao** stating that all Japanese troops in the suburbs of Shanghai have been sent to the Chekiang front, Japanese giving imminence to the new military campaign in Chekiang can clearly be seen. Meanwhile, Gen. Wang Ching-chiu, famous commander of the 88th Division, which defended the Shanghai-Woosung area immediately after the outbreak of war in Shanghai on August 13, 1937, was reliably reported by local informed quarters to have proceeded with his newly-trained troops to the Chekiang-Anhwei war zone to reinforce the Chinese troops there in Launching a large scale all-front counter offensive against the Japanese within the region. Thus, further intensive fighting in this war zone was predicted by most of the local observers.

During the past few days, sanguinary fighting has been raging in the Chuki sector, on the Chekiang-Kiangsi Railway in central Chekiang. In the course of bloody fighting, the Japanese claimed to have occupied the city on October 17. The Chinese were reported to have immediately counter-attacked and surrounded the Japanese in Chuki from three directions. On the early morning of October 19, the city was claimed to have been recaptured after the Chinese had launched a strong assault on Chuki despite heavy rainfall. Meanwhile, the Chinese were also reported to have attacked the Japanese positions at Changkowchen, south-west of Fuyang, and recaptured the town after fierce fighting.

## Victory Claimed

Claimed to be one of the smashing victories within the month in the warfare in Kiangsi, Chinese troops were reported by the **United Press** to have recaptured the city of Fengsin, 40 miles west of Nanchang, provincial capital of Kiangsi, which was occupied by the Japanese on October 17. Besides inflicting heavy casualities, the Chinese further claimed to have taken a number of Japanese prisoners. At the same time, Chinese official circles in Chungking declared, according to **United Press**, that two Japanese transport ships were sunk by Chinese artillery fire operating along the Yangtze bank near Matang, north-east of Kiangsi.

In Central Hupeh, serious fighting was reported at Mienyang and Chieh-Kiang, south-west of Hankow, According to a **Sin Wen Pao** message from Changteh, several thousands of Japanese troops had attacked the Chinese positions in Mienyang and Chienkiang during the past three days and were defeated after a counter-offensive launched by the Chinese on October 18.

Reports from Loyang revealed that the Chinese guerillas operating along the Shansi-Honan front have time and again been a great nuisance to Japanese communication lines, threatening constantly to halt Japanese military connections between many strategic points. In addition to launching a furious assault against a Japanese position at Sinyang, on the Shansi-Honan border, the guerrillas were reported to have entered the city of Chu-wu, strategic Japanese stronghold south of Ling-fen, south-west of Shansi. As a result of terrific street fighting within the city of Chu-wu, the Japanese casualties were said to be heavy.

## Lingchow Attacked

No major fighting was reported in the Kwangtung-Kwangsi war front within the last week, but the Chinese were said to have repeatedly attacked the city of Lungchow, north of Chengnankwan, brought the city under complete encirclement. Chinese troops were reported now just launching a mopping-up campaign against Japanese remnants in the city.

Meanwhile, a **Reuter** report emanating from Chungking stated that Japanese troops in French Indo-China were continuing their advance along the highway northward towards the Yunnan border. Japanese troops at Langson were said to be moving towards the Kwangsi border in the vicinity of Chengnankwan. These facts, coupled with the appointment of Gen. Jun Ushiroku to succeed Gen. Rikichi Ando, Commander-in-chief of the Japanese Forces in South China, aroused speculations as to the possibility of some new military campaigns soon.

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# Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

*First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.*

**Sept. 21**

With the Indo-China Government officially announcing that Japan's most recent demands had forced a deadlock, the situation today suddenly took a critical turn. Gen. Nishihara and his aids are reported to have left for Haiphong while the French forces were placed on emergency basis. The Vichy Authorities were said still desiring to terminate Indo-China Parleys as soon as possible. Tokyo Government denied delivery of an ultimatum to Indo-China. Twenty Japanese Divisions would find Szechwan impassable, stated a special article by Kung Teh-po, expert on Japanese affairs writing today in the **Ta Kung Pao.**

A new Japanese "rumor offensive" was regarded by Chungking circles to have been launched, as characterized by the recent Japanese reports on the departure of Mr. Chu Cheng, President of the Judicial Yuan, for Hongkong, and the alleged kidnaping of General Lung Yun, Governor of Yunnan Province (**Review**, Oct. 18).

Starting from October 1, the general sale of nine types of luxury articles in the interior was to be forbiddened by the Finance Ministry.

Madame Chiang Kai-shek, in her speech given to young women throughout the country yesterday, called women into service.

Authoritative quarters in London revealed last night that the United States and Great Britain in the past few days had engaged in a series of historic conversations centering on joint defense of their interests, particularly in the Pacific Ocean.

In their speeches given to a select audience of the University of the Philippines, Major Evans F. Carlson, formerly of the U.S. Marines and at one time U. S. military observer in China, and James Bertam, New Zealand author and journalist, said that foreign aid short of War should be extended to China to keep Japan's hands full and prevent her from carrying out her southward expansion.

⁂

**Sept. 22**

The Indo-China situation remained critical after French officials announced they would order their troops to resist any Japanese attempt to enforce their ultimatum which expires at midnight. Vichy said hoping for an agreement.

Authoritative quarters in Washington reported last night that Britain had offered the United States Fleet the use of the British naval base at Singapore. The offer was immediately regarded officially in Tokyo as certain to give rise to a "serious world disturbance."

Chinese residents of New York City pledged U.S.$5,000,000 to build up China's air force, according to a cable received in Chungking.

The construction of a new China-India road, running from Tachienlu, on the border of Tibet, to Calcuta, was predicted in the **Ta Kung Pao** by Professor Chang Chi-chun, expert of the Supreme National Defense Council.

Mr. Wendell Willkie, Republican Presidential candidate, announced in San Francisco last night his willingness to follow a foreign policy calling for decisive American aid to the Chungking Government and strong protection of American interests throughout the Pacific, according to **United Press.**

⁂

**Sept. 23**

The Indo-China Army surrendered at 11 a.m. and the Japanese Army disarmed French troops opposing Japanese entry into Indo-China, Japanese Imperial Army Headquarter announced Vichy authorities also admitted bowing to Japan's "New Order." Meanwhile, the Japanese Foreign office, apparently fearing American retaliation for her invasion of French Indo-China, voiced her objections to any Anglo-American agreement granting the United States Fleet the use of Britain's great naval base in Singapore.

China strongly protested to the French Government against her capitulation to Japan, reasserting "China's right to take such measures of self-defense as may be deemed necessary." However, Chinese troops on the southwest frontier, according to United Press, had not yet crossed the Indo-China border. Their actions were said to have proceded smoothly, according to a pre-arranged plan.

Two Japanese, charged with offenses under the Official Secrets Ordinance, were held by police in Singapore. Japanese moves on British interests in the Far East owing to her preoccupation in Europe were dennounced by Mr. Soho Todutomi, well-known Japanese commentator, in an atricle in the **Nichi Nichi.**

⁂

**Sept. 24**

The fate of Indo-China was said to depend on the efforts of Major-General Issaku Nishihara, head of the Japanese Military Mission, to persuade General Rikichi Ando, commander of the Japanese South China Army, to hold off the Military invasion of the French colony. Fighting was reported still continuing on border.

The French Foreign Minister, M. Paul Baudoin, announced that the Indo-China Accord was of a temporary nature and would remain only for the duration of Sino-Japanese war, stating that all governments concerned, including Washington, work constantly kept informed of the negotiations by the French Government. The State Department of the United States denied approving French concessions to Japan in Indo-China. Embargo advocates were reported to have marshalled forces to urge to the United States to apply economic pressure against Japan.

The Japanese press send that any nation which "dares" to interfere with Japan's "sacred Mission" in French Indo-China should be "exterminated" The Japan Times further threatened the cutting of the Burma route by the Japanese troops who entered Indo-China recently.

The Chinese Cabinet met again to dicuss Japanese entry into Indo-China, holding that the French must be responsible for any losses incurred as a result of the Indo-China agreement.

Japanese protested to Britain on the detention of six Japanese in Singapore over the week-end.

Settlement transport in Shanghai was again tied up completely as workers of


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the China General Omnibus Company followed the example of the tramway employees who began striking on September 20. Observers here were generally of the opinion that the utility companies deadlock was backed by political influence.

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**Sept. 25**

Japan and Germany agreed in principle on a "defensive alliance" to counteract an anticipated Anglo-American front in the Pacific and Atlanic, according to reliable quarters in Washington. The purpose behind the alliance, it was reported, was to divert America's attention so as to prevent full U. S. support to Britain. The alliance was said to be effective if Britain and U. S. collaborated. Meantime, authorized Nazi quarters refused to deny reports concerning the new alliance with Japan.

Indications that the United States and Britain were considering parallel moves to "stop" Japan's drive into southeastern Asia increased here, Washington reliable sources revealed.

Hanoi was reported to be cut off owing to border fighting following an intensified Japanese offensive. According to **United Press**, Chinese troops went to the aid of French Indo-China forces by attacking Japanese lines of communication at the rear of the Japanese army invading Indo-China. The French Ambassador to the United States, M. Gaston Henry Haye, urged Chinese forces to help Indo-China, hoping that China would send troops into Colony.

The Chinese Government officially announced a general increase in postal rates in view of high transportation costs, but the date for rate-changing had not been fixed.

**Sao Tang Pao**, Chungking Army organ, declared in an editorial yesterday that Japan's invasion of Indo-China was bound to affect the interests of Great Britian and the United States more than those of China.

*
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**Sept. 26**

President Roosevelt ordered a complete embargo on all exports of iron and steel scrap except to Britain and countries in the western hemisphere. The move was generally interpreted in Washington as the one of America's major retaliations against Japan for her invasion in Indo-China. The Embargo was to become effective on October 15.

An additional U.S.$25,000,000 would be loaned to China by the U.S. Government to assist in meeting China's foreign exchange needs, Washington officially announced. The debt will be liquidated by the sale of Chinese tungsten to America.

Mr. Paul V. McNutt, Federal Security Administrator and former U. S. High Commissioner for the Philippines, voiced the necessity of the United States aggression in Asia as well as in Europe by active aid to the victims of aggression.

Haiphong was bombed and entered by Japanese. Fifteen casualties were reported when native quarters were hit by four bombs. 2000 troops with tanks filed through streets to prepared billets. New-York journal said today that U. S. had given assurances of all aid short of war to Indo-China in case the latter became an independent French entity.

*
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**Sept. 27**

Japan joined the Rome-Berlin Axis here today by signing a military and economic alliance with Germany and Italy, providing that the three Powers assist one another with every possible political, economic and military means at their disposal if one of the parties was attacked by a Power at present not involved in the European or Sino-Japanese war.

President Roosevelt's action yesterday in placing an embargo on iron and steel scrap met a generally favorably Japanese as "entirely a mistake."

Despite French appeals to Tokyo asking to halt Audo's army and Gen. Nishihara's effort to stop agreement violation, the Japanese South China troops continued their southward advance. The bombing of Haiphong yesterday was explained today by the Japanese as "entirly a mistake."

Chinese forces along the Indo-China border were reported to be still remaining on Chinese territory but pressure was exerted on the Japanese in the vicinity of Facihng on the Kwangtung coast.

Official approval in Washington was extended last night to McNutt's speech on September 25.

## Who's Who in China

Chu Chi, governmental officer; born at Haiyen, Chekiang, 1907; graduate, National University of Peking, 1929; Ph.D., University of Berlin, 1932; professor, National University of Nanking, 1932-39; director, The Economics Department, National Central University

Chu Chi

朱偰字伯商

of Nanking, 1926-35; member, The National Economical Planning Committee, 1936-37; now, Senior Secretary, Ministry of Finance; author of: "Hauptprobleme der Finanzreform Chinas," Berlin, 1932: "Financial Problems of China," Shanghai, 1934; "Taxation and Taxes in China," Shanghai, 1936; "Historical Nanking," Shanghai, 1936; "The Mongolian Palace of Peking," Shanghai, 1937; "The Imperial Palace of Peking," Shanghai, 1938; etc.; address, Ministry of Finance, Chungking.

## Catholics In Germany Outnumber Protestants

As a result of Germany's recent territorial annexations there are at present more Catholics than Protestants in the Reich, an official Catholic information agency announced October 18 in Berne.

Catholics in the Third Reich now number 48,000,000 against 45,000,000 Protestants. According to the census of June, 1933 there were some 40,000,000 Protestants in Germany and around 21,000,000 Catholics.

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# Men and Events

Russell Brines, member of the staff of the **Associated Press** in Tokyo, is in Shanghai on vacation.

*

Settai Komuro, 54, noted Japanese painter, died in Tokyo on Oct. 19. He was a well known newspaper and magazine illustrator.

*

The Chinese Government announced on Oct. 16 that Yeh Te-ming had been appointed Consul in Penang and Shen Wei-fan, Consul-General in Bali. The nominations were made by Dr. Wang Chung-hui, Minister of Foreign Affairs.

*

The Tokyo Foreign Office announced on October 21 the appointment of Yoshiyuki Hanawa, Consul-General at Nanking, as Counsellor of the Japanese Embassy in Manchukuo.

*

M. Knudsen, Norwegian Charge d'Affaires, stationed in Shanghai, arrived in Chungking on Oct. 17, and was welcomed by Dr. H. H. Kung of the Executive Yuan and Dr. Wang Chung-hui, Minister of Foreign Affairs.

*

The **Central Press Service**, organ of the Nanking Government, announced on Oct. 14 that the official German **Transocean** news service had brought to Nanking a series of news reels "showing actual conditions in Europe." The **Central Press** said the exhibitions would be open to the "entire" public.

*

Shao Hung-chu and Kwan Ting-kuei were appointed Counsellors of the Nanking Executive Yuan, according to report from the puppet capital last week. It also was announced that Hsu Ti-sheng and Chen Chao-fang were appointed compiler and special delegate respectively, of the Ministry of Publicity.

*

There are now 8,498 rural credit cooperatives in Kweichow Province, with an aggregate capital of Ch$800,000, according to a **Havas** message from Chungking. The object of the rural credit cooperatives is to provide farmers with capital on easy terms. They have no connection with the Industrial Cooperatives, of which there are none in Kweichow Province, according to the report.

*

The delegation of Hitler Youths, scheduled for an extended visit in Japan, arrived in Hsinking capital of Manchukuo on Oct. 17, on their way to Tokyo. The German boys spent considerable time in Manchuria visiting schools and Japanese settlements and camps. This is the second contingent of Hitler Youths to visit Japan.

*

Three large hydro-electric generators, each with a capacity of 70,000 kilowatts, are now under construction on the Sungary River in Manchuria by the German A. E. G. Company. According to **Transocean**, one of the generators, weighing 800 tons has been completed. It was transported to Manchukuo by Trans-Siberian Railway, stated the report.

*

Chen Po-sheng, who has been editor-in-chief of the official Central News Agency at Chungking, has resigned to accept the position of director of the **Chung-Yang Jih Pao**, or **Central Daily News**, official organ of the Central Party Headquarters. Mr. Chen succeeds Ho Hao-jo, who has resigned.

Vice-Admiral Seiichi Iwamura, retiring Japanese resident naval officer, was host at a cocktail party on Monday, October 21 at Broadway Mansions Hotel, in honor of his successor, Rear-Admiral Masao Kanazawa. Rear-Admiral Kanazawa, who recently arrived in Shanghai, was formerly chief spokesman of the Navy Office in Tokyo. Officers of the various foreign military commands in Shanghai, representatives of various foreign consulates and officials of the Municipal Council and Police Department, attended the function.

*

As a result of a serious epidemic of bubonic plague in Hsinking, capital of Manchukuo, the police have practically banned all activities likely to cause people to assemble in groups. Theaters, cinemas, dance-halls, shooting-galleries, mah jongg parties, billiard halls and churches have been closed and no one is permitted to appear on the streets without a nose-and mouth mask. In one case where a waitress in a restaurant became ill of the disease, the police locked the restaurant with 22 customers inside and all houses in the adjoining blocks were quarantined.

*

A group of eleven Britons—third to leave in ten days—departed from Shanghai on Wednesday of this week to join the British armed forces in the war. Three are scheduled to join the Royal Air Force, while the remainder will join the Army. The group departing this week included, N. J. Stabb, A. C. Moore, N. C. Beadle (R. A. F.), A. Tilley, L. C. Shellam, L. H. Moffat, Messrs. Donaldson and McKenzie, from north China ports, and R. J. H. Kalberer, G. H. Blachford and A. B. Laird from Shanghai. Owing to limited transport facilities no further groups are scheduled to depart for a month or six weeks, stated the announcement.

Alex Henderson, well known British resident of Shanghai, dropped dead while playing in a golf tournament at the Seekingjao golf course on Saturday, October 19. He was formerly a member of the firm of Bradley and Company, but later organized his own firm, Henderson and Company, dealers in woolen goods. He is survived by his widow and a daughter. Mr. Henderson was a leading golfer and once served as captain of the Gold Club.

*

More than 12,000 freshmen enrolled in China's various national and private colleges and universities, according to a report in the **Ta Kung Pao**. Of those enrolled, 6,734 have entered Government schools while more than 5,000 have joined private institutions. The figures do not include students in Shanghai, Loyang or Taiho, as reports from these places had not been received, hence the total was expected to exceed 15,500. Registrations already listed indicated an increase of 624 over last year. The report stated 180 students had enrolled in the new Quartermasters School of the War Ministry.

*

Several passengers aboard the President Coolidge, which arrived in Shanghai this week, were injured in a storm which struck the vessel when it was two days out of Yokohama. Those injured included Mrs. Claudia Blain, 70, who is engaged in missionary work in Hankow. Her face was severely cut by glass fragments. Dr. Harold Thomas, 52, of Shanghai suffered a broken leg and arm by falling down stairs during the storm. Mrs. Belle Caldwell, 59, Shanghai, suffered broken ribs. Mrs. Alice J. Nickell, 54, of Manila received severe bruises. According to **Domei** report from Yokohama most of the passengers aboard the ship were severely shaken up as a result of the severe storm.


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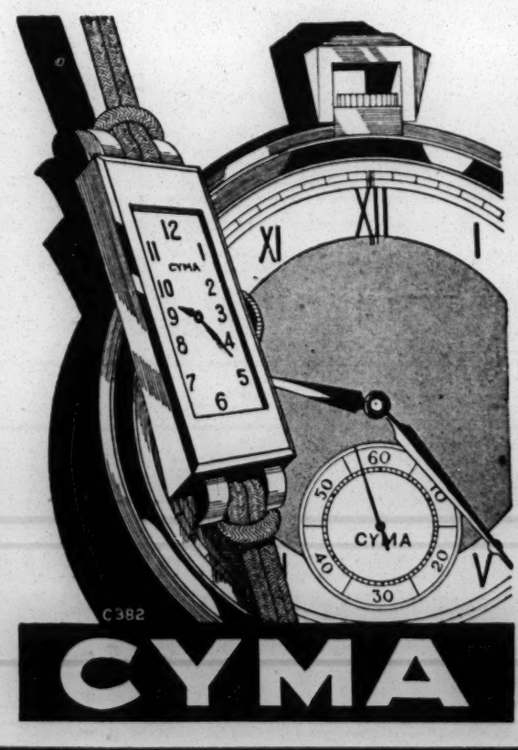

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Wang I-tang, chairman of the political affairs commission of the Peiping puppet regime, has gone to Japan to thank Japanese officials for their action in making him head of the North China Political Affairs Commission.

•

The members of Community Church were scheduled to give a reception on Friday evening, Oct. 25, in honor of the Rev. and Mrs. John Lyon Caughey, who have returned from furlough in the United States.

•

The Soviet Ice-Breaker Kaganovich arrived at Vladivostok on Oct. 22, having made the trip through the Arctic Ocean successfully. According to **Tass** agency report, the ship's equipment functioned perfectly throughout the voyage.

•

President Roosevelt, on Oct. 19, signed the new law, recently passed by Congress, which compels all organizations "under foreign control or those aiming to overthrow the U. S. Government," to register with the Department of Justice.

•

A dispatch from Chungking on Oct. 20 stated that the Government adopted a new regulation in connection with the Trade Mark Law. The new article (No. 37) reads as follows: "Civil or criminal appeals concerning special rights involved in Trade Marks may be filed only after a decision is rendered by the Deliberative Committee."

•

The U. S. Marines will be forced to give up their palatial club on Bubbling Well Road, by June 30, due to the sale of the premises to the Shanghai Jewish Club Committee. The price paid for the building, Ch$1,000,000, was regarded as unusually low, according to reports in real estate circles. The property belonged to the Shanghai Race Club and was leased to the U. S. Fourth Marines for use as a social club several years ago. The Shanghai Jewish organization is financing the deal through a sale of shares.

•

Lieut.-General Kenji Doihara, who recently was appointed a member of the Supreme Military Council in Tokyo, returned to Japan on Oct. 20 from a trip of several months in Europe. He was met on arrival by Lieut.-General Hideki Tojo, War Minister; Gen. Sugiyama, Chief of the General Staff; Lieut-General Otozi Yamada, Supreme Military Councillor, and other high military commanders. Gen. Doihara, long known as Japan's "master of intrigue," was responsible for plotting the Mukden incident in 1931. Later he lost considerable prestige when his troops were defeated in the Battle of Taierchwang. It was not known that he had been on a secret mission abroad until his return to Tokyo.

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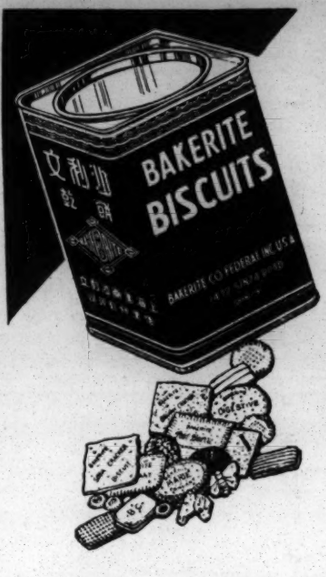


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The U. S. Navy Department announced on Oct. 19 that it had purchased 35 merchant ships from the U. S. Maritime Commission and private owners at a total cost of US$15,000,000. The ships will be used for auxiliary craft.

*

Sir Archibaid Clark Kerr, British Ambassador to China, was host at a cocktail party in Chungking on October 19, which was attended by a large number of officials of the National Government and residents of the wartime capital. Among those attending were Dr. Wang Chung-hui, Minister of Foreign Affairs; Gen. Ho Ying-chin, War Minister; Dr. H. H. Kung, Finance Minister; Wang Shih-chih, Minister of Publicity; Generals Feng Yu-hsiang and Chang Chi-chung and Admirals Chen Shao-kwan and Yang Hsuan-chen.

*

Gen. Wu Te-chen, former Mayor of the Chinese Municipality of Greater Shanghai and builder of the Civic Center at Kiangwan, who is Minister of Overseas Affairs of the National Government, arrived in Bangkok, Siam this week. Gen. Wu is making a tour of Chinese communities in the South Seas, having visited in the Philippines and Netherlands Indies. His visit to Siam (Thailand) aroused special interest due to the crisis in the relations of that country and French Indo-China.

*

The Ford Motor Company has set up at Dearborn, Michigan, a machine which creates a 50-mile blast of wind for the purpose of testing automobiles. The wind-machine consists of a 14-foot four-blade propeller, driven by a 750-horsepower Hispano Sueza airplane engine. The machine consumes 54 gallons of gasoline an hour. Test cars are driven into this blast of air—some fast, some slow, some with windows open, some with windows closed—with the object of testing their ability to stand shock under all conditions. The new machine is playing a major role, stated the report, in the building of safer automobiles. Most of the shock caused by driving the cars into the blast of wind, according to the engineers, is absorbed by a torsion bar ride stabilizer which functions between the front wheels of Ford, Mercury and Lincoln-Zephyr cars.

*

Charles Healy, who arrived in New York last week after six years service as technical adviser with the Chinese Government at Chungking, stated in an interview, that there has been great improvement in the skill of Japanese aviators—due to nearly four years of practical training in China. Mr. Healy also stated that Japan now has about 4,500 military planes, of which about 900 are being used in China. Referring to the Burma Road, Mr. Healy expressed the opinion that the Japanese would have difficulty in bombing it from the air as the road had the benefit of ideal geographical position and an inexhaustible number of workers to make repairs.

W. L. Briggs, formerly of the Chicago office of **United Press**, arrived in Shanghai this week to join the Shanghai office.

*

The Japanese population of Nanking, according to a census on Oct. 1, numbers 11,367. The census was taken by the Japanese Consular Police, who reported that the number of Japanese boys and girls was exactly equal, the figures for each being 1,047.

*

The New York Commodity Exchange announced on Oct. 11 that a committee had been formed to make plans in the event trading in silk futures is suspended. The announcement created the impression that all silk shipments to the United States might be stopped.

*

Yu Hung-chi, member of the National Control Yuan, aged 64 years, died in Chungking on October 18. The Control Yuan, upon recommendation of its President, Yu Yu-jen, voted to grant a pension to the family of the deceased member.

*

Chang Jen-li, puppet Mayor of Hankow, and Lin Shang-chih, Councillor of the Hankow Special Municipality, departed on October 21 for Tokyo to attend a conference of the East Asia Municipal League, which was called by the Japanese authorities to meet in the Japanese capital early in November.

*

The Executive Yuan of the Chinese National Government announced the appointment on Oct. 16 of Shen Tsung-lu as deputy director of the Central Agricultural Experimental Bureau. Chao Lien-fang and Wu Fu-chen were also appointed chief technical experts with the Institute, stated the report. The Ministry of Communications also announced, according to **Kuomin** report from Chungking, the appointment of Chow Feng-chiu as chief technical expert of the Highway General Administration.

*

The Chinese Government has renewed for a further period of ten years, dating from Oct. 1, a lease on a hospital and other buildings on Liukungtao Island in the harbor of Weihaiwei to the British Navy. The renewal was effected through an exchange of letters between Wang Chung-hui, Minister of Foreign Affairs, and Sir Archibald Clark Kerr, British Ambassador. The letters were dated March 15, 1940. The Port of Weihaiwei, located on the northern side of the Shantung Peninsula, was leased to Britain many years ago as a naval base and summer recreational place for the British Navy. The British authorities agreed to surrender their lease, following Japan's agreement to withdraw from Shantung and Tsingtao at the Washington Conference in 1922. On April 18, 1930 China agreed to permit the British Navy to use the buildings as a sanitorium.

*

Tillman Durdin, correspondent for the **New York Times** in Chungking, accompanied by Mrs. Durdin, departed from Shanghai this week aboard the President Cleveland, for furlough in the United States. Other journalists aboard the Cleveland were Frank Glass, Assistant Editor of **The China Weekly Review**, who is proceeding to California on six months' vacation, and Mr. and Mrs. George Lacks, press photographers, who are proceeding to Los Angeles where they plan to reside. As all had been connected with **The China Press** in recent years, the staff of the paper gave a farewell dinner for the departing journalists which was attended by twenty-five local newspapermen. Miss Betty Richardson, former women's Editor of **The China Press**, will take over the press-photograph studio of Mr. and Mrs. Lacks in **The China Press**.

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# New Books of Interest in the Far East

## Question of Hating The Germans

**IS GERMANY A HOPELESS CASE? By Rudolf Olden. Translated by Edwyn Bevan, introduction by Gilbert Murray. London, George Allen and Unwin, Ltd. 121 pages. 4/6d.**

There is not only an element of sportsmanship, but of fine diplomacy in Gilbert Murray's and Dr. Bevan's request that a book of this type be written. "There is danger", says Professor Murray, "as war continues and causes of embitterment multiply, that our just hatred of the traditional Prussian militarism and still more of its perversion in Nazi methods, may be indiscriminately extended to all those seventy million Germans with whom our children will have to live on peaceful terms. We felt the necessity that English people should be reminded of the existence of a genuinely liberal and peace-loving element in Germany, never victorious yet never ceasing to struggle, and we asked a typical member of that minority to testify on its behalf."

The author of this book is Rudolf Olden who was before the Nazi revolution Assistant Editor of the Berliner Tageblatt. He appeared as counsel for Ossietsky and other pacifists. He had to leave Germany in 1933 and for the past six years he lived in England, writing and lecturing to political science and history classes in various universities. Reports of his death in one of the refugee boats torpedoed by the Germans have been noted.

The background of this book is historical. Herr Olden begins with Germany of the seventeenth century at the end of the Thirty Years War, a diminished and divided group of people. The union of the Germans, was he says, the result of the victories of Frederick the Great of Prussia and the revival of German poetry. Then came the real founder of German nationalism, Napoleon; and throughout the nineteenth century the author follows the struggle between the two living forces in Germany—German literature and Prussian army. The rise of the Neo-German character, dating from about 1880, with its semi-absolute regime, military autocracy and ornamental parliament was paralleled by the rise of an opposition in Germany in politics, literature, art and the theatre.

With the end of the World War the German Revolution of 1918 did not turn against princes or manufacturers, officials or landowners, although these might well be considered counter-revolutionary, but upon the old army. The revolution demanded the abolition of the army. And yet within the next few years the army was again developing its power through activities of Ebert, Hugenberg, Thyssen and Brüning. The position of Stresemann during these important years is well discussed.

The author ended his book thus:

"It is not for me to plead for Herr Hitler. But it may well be that the world has reason to be grateful to him. His folly, the inevitable impatience of the usurper, has perhaps saved the world from worse things. Those who set him up and made him supreme warlord did a bad day's work, and some day they may rue it....he has impaired the foundations upon which their capital was built. Everything for which they stood and for which they were given credit he, the maniac, has ruined by his childish extravagance — nationalism, militarism, German imperialism, even anti-Semitism, that cherished creation of the Prussian army: he has hopelessly discredited them all. The hour is not far off when they will all curse him...."

F.M.R.

## Story of a Korean in America

**CHINAMAN'S CHANCE: AN AUTOBIOGRAPHY. By No-Yong Park. Boston, Meador Publishing Co., 1940 182 pages. U.S.$2.00.**

This Chinaman's chance is the story of a Manchurian born of Korean parents, who at the age of thirteen ran away from his home in a little farming village of northeastern Manchuria. He "went to Nanking, Peking, Seoul and Tokyo in search of the modern education which seemed so dear to my heart." Thus briefly does Dr. Park tell the story of his early education, which should properly form the keystone of his book. Then he simply states his disappointment in Europe and his arrival in the United States, where he begins the story in some detail.

It is the absence of any information of these early years which makes the biography into the story of any American immigrant rather than into a unique contrast of cultures. The significance of Dr. Park would seem to lie in the contrast between the farm of Manchuria and the lecture career in the United States. As a story of the poor boy becoming famous or of a modern Thoreau the autobiography is thin.

Dr. Park began his profession as lecturer while an undergraduate in an Indiana college. The style of the book, a faintly humorous satire, shows the reason for the author's success as lecturer to women's clubs, Rotaries, chatauquas and other American groups. It is evident that he knows his American audiences. In the appendix Dr. Park reproduces one of his lectures, "China: Today and Tomorrow." The liberal use of phrases such as "Old Cathay," "your sovereign people," "you are a power on earth and a great hope of mankind in the struggle for justice and freedom," show more sentiment than reason.

The simple life as advocated by Dr. Park is the subject of the last part of the book. He suggests that one can live by working but three months of the year. To this end he contributes the information that his wife's clothes have cost but forty-five U.S. dollars in three years. His daily menu would scarcely enable a man to do hard labor. Rest and relaxation would go well with such a diet.

F.M.R.


# QUARTERLY BULLETIN OF CHINESE BIBLIOGRAPHY

[ENGLISH EDITION]

[New Series] Vol. I, No. 3 September, 1940

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JEAN M. BASSETT
Executrix,
157 Hungjao Road,
Shanghai, China

Shanghai, China.

October 7, 1940.

## SPY SCARE SPREADS AS NERVES FRAY

Indicative of nerves taughtened by the situation in the Far East, Government and Army officials in the Philippines began a spy round-up last week, placing three Filipinos and one Japanese behind bars in the first few hours.

United States and Philippines Armies were reported to have been flooded with requests to "investigate suspicious activities" of foreigners.

United States Navy authorities on October 19 were holding the Japanese who was arrested when found aboard the aircraft carrier Langley, but no details were revealed. An investigation was started on the same day in the residential section of the city near the Cavite naval base.

Later the same day the U.S. Army and the Manila city attorney filed joint complaints charging two Filipinos with violation of the United States espionage act.

Scant information was available on the report that an investigation was underway in connection with a espionage ring centering around Captain Rufo Romero, officer in the Philippine Scouts and a gradutate of West Point in America. Romero was arrested earlier in the week on charges of selling military information.

A second Japanese was arrested in Singapore on charges of violating the official secrets ordinance act. Mr. Kitsaji Kashiwabara was accused of delivering information on troop movements.


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# In the United States Court for China

| | |
|---|---|
| MARY G. DEVLIN, *Plaintiff*, vs. JOSEPH HOWARD DEVLIN, *Defendant.* | Cause No. 4539<br>Civil No. 2418<br>ORDER<br>Filed at Shanghai, China, this 23 day of October, 1940<br>WILLIAM T. COLLINS<br>Clerk. |

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorney, Mr. Orin de Motte Walker has this 21st day of October, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of October, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of October, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was: Company "H", 15th Infantry, Fort Lewis, State of Washington, U.S.A.

NOW, THEREFORE, it is this 21st day of October, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 9th day of November, 1940, the day of last publication of this order, otherwise the case will be proceeded with as in case of default.

By the Court.

MILTON J. HELMICK,
*Judge.*


# JAPAN'S WAR IN CHINA

**When the Sino-Japanese hostilities broke at Peiping on July 7, 1937 and at Shanghai on August 13 of the same year, THE CHINA WEEKLY REVIEW immediately began compiling a day-to-day record of out-standing developments in the struggle including the diplomatic side as well as the military. These handy little volumes, each covering a period of six months, have now reached five.**

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**Vol. 5 of the detailed day-to-day record of Sino-Japanese hostilities is now off the press. It covers the period from July 7, 1939 to December 31, 1939.**

**Outstanding developments in this period include the beginning of Japan's air raids on Chungking, Wang Ching-wei's activities at Nanking, Anglo-Japanese negotiations over the Tientsin incident, beginning of terrorism at Shanghai, abrogation of the American-Japanese Trade treaty, initiation of anti-foreign movements by Japanese Army authorities, "slapping" and "stripping" incidents at Tientsin, Ambassador Grew's denunciation of Japan's anti-American activities in China, beginning of U.S. "moral" embargo against Japan, etc., etc.**

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